



8-1-1936

Financial Survey of School Districts in McLean County

Emil F. Sather

Follow this and additional works at: <https://commons.und.edu/theses>

Recommended Citation

Sather, Emil F., "Financial Survey of School Districts in McLean County" (1936). *Theses and Dissertations*. 4123.

<https://commons.und.edu/theses/4123>

This Thesis is brought to you for free and open access by the Theses, Dissertations, and Senior Projects at UND Scholarly Commons. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of UND Scholarly Commons. For more information, please contact und.common@library.und.edu.

Financial Survey of School Districts
In McLean County

69 2/3
7/3

A THESIS
Submitted to the Graduate Faculty
of the
University of North Dakota

By
Emil F. Sather

In Partial Fulfillment of the Requirements
for the
Degree of
Master of Science in Education
August 1936

T1936
S253

This thesis, offered by Emil F. Sather, as a partial fulfillment of the requirements for the Degree of Master of Science in Education in the University of North Dakota, is hereby approved by the Committee under whom the work has been done.

Erch Selke

Chairman

J. Frederick Nelson

J. L. Sager

J. H. Breitwieser

Director of the Graduate Division

84423

Bdg. 70'36 Hertzberg 1.00

ACKNOWLEDGEMENTS

The writer wishes to acknowledge his gratitude to those who have given assistance in the preparation of this study.

In particular he wishes to express his appreciation to Dr. Erich Selke, Assistant Professor of Education in the University of North Dakota, for his guidance, helpful criticism, and encouragement relative to this study. To Dr. A. V. Overn, Professor of Education in the University of North Dakota, he is indebted for the assistance given during the early stages of the study. He is also indebted to the various county officers in McLean County, particularly Mr. Albert Peterson, County Superintendent of Schools; whose assistance in obtaining data was greatly appreciated.

8

TABLE OF CONTENTS

	Page
Acknowledgements.....	i
Table of Contents.....	ii
List of Tables.....	iii
List of Figures.....	vii
 CHAPTER	
1. Introduction.....	1
2. General Conditions in McLean County.....	3
Geographical.....	3
Population.....	5
Historical.....	6
Railroads and Highways.....	6
Industries and Occupations.....	9
Schools and School Districts of McLean County....	15
3. Ability to Support Education.....	30
4. Effort to Support Schools.....	45
Effort Based on Tax Rate.....	47
Effort Based on Per Pupil Expenditures.....	54
Relationship of Expenditures Per Pupil to Taxable Valuation Per Pupil.....	57
5. Receipts and Expenditures.....	61
Source of Revenue.....	61
Receipts from Local Source.....	63
Receipts from Other than Local Source.....	68
State Equalization Fund.....	76
Expenditures.....	82
Comparison of Two School Districts.....	87
6. Debt Service.....	89
7. Summary.....	102
Bibliography.....	108

	LIST OF TABLES	Page
Table 1.	Number of miles of Trackage in Districts as Reported by School Board Clerks and by the Railroad Companies.....	7-8
2.	Occupations and Number Engaged in Each in McLean County in 1930.....	9-10
3.	Ranking of McLean County in Various Agricultural Activities in 1930.....	11
4.	The Average Value Per Acre of Farm Land by Counties in North Dakota for the years, 1929, 1931, 1933.....	13-14
5.	The Number and Kinds of Schools in McLean County, 1934...	17
6.	Kinds of Schools in Various Districts in McLean County in 1934.....	18
7.	Comparison of High School Districts in McLean County in Size and Number of Miles of Railroad.....	20
8.	Comparison of Consolidated Graded Districts in McLean County in Size and Number of Miles of Railroad.....	20
9.	Comparison of One Room Rural Districts in McLean County In Size and Miles of Railroad.....	21-22
10.	Comparison of High School Districts in McLean County In Number of Students, Number of Teachers and Pupil-Teacher Ratio.....	23
11.	Comparison of Consolidated Graded School Districts that Maintain Two Years of High School in Addition to the Elementary School In Number of Students, Number of Teachers and Pupil-Teacher Ratio.....	24
12.	Comparison of Consolidated Graded Districts that Maintain Only Elementary Schools in Number of Students, Number of Teachers and the Pupil-Teacher Ratio.....	24
13.	Comparison of One Room Districts in McLean County in Enrollment, Number of Teachers and Pupil-Teacher Ratio..	25-26

	Page
Table 14. Comparison of the Three Types of Districts in Length of Term, in Months.....	27
Table 15. Enrollment by Schools and Districts in High School Districts in McLean County for the Years 1930 to 1934.....	32
Table 16. Enrollment by Schools and Districts in Consolidated Graded Districts in McLean County for the years 1930 to 1934.....	33
Table 17. Enrollment in One Room School Districts in McLean County for 1930 and 1934.....	34-35
Table 18. Taxable Valuation, Taxable Valuation Per Pupil, Amount Raised Per Pupil at Eighteen Mills In High School Districts in McLean County, 1934.....	36
Table 19. Amounts that Can be Raised Per Pupil at Twenty-seven Mills at Present Valuation, Amounts at Eighteen Mills on One Hundred Per Cent Valuation in High School Districts in McLean County.....	38
Table 20. Total Taxable Valuation, Taxable Valuation Per Pupil, And Amounts that Can be Raised by a Sixteen Mill Levy in the Consolidated Graded Districts in McLean County, 1934.....	38-39
Table 21. Total Taxable Valuation, Taxable Valuation Per Pupil, And Amount that Can be Raised Per Pupil at Fourteen Mills in the One Room School Districts in McLean County, 1934.....	40-41
Table 22. Taxable Valuation Per Pupil in the Various Districts in McLean County, 1934.....	42
Table 23. Taxable Valuation of Railroad Property and Power Plant Property by Districts in McLean County, 1934.....	43
Table 24. Tax Rates for School Purposes for a Period of Five Years in the High School Districts in McLean County..	49
Table 25. Tax Rates For School Purposes in Consolidated Graded School Districts in McLean County Over a Five Year Period.....	51
Table 26. Tax Rates for School Purposes in One Room School Districts in McLean County for 1930 and 1934.....	52-53

	Page
Table 27. Total Expenditures, Total Enrollment, Total Expenditures Per Pupil in Higher Districts in McLean County in 1934.....	54
Table 28. Total Expenditures, Total Enrollment, Total Expended Per Pupil in the Consolidated Graded School Districts in McLean County, 1934.....	55
Table 29. Total Expenditures, Total Enrollment, and Total Expenditure Per Pupil in the One Room School Districts in McLean County 1934.....	56-57
Table 30. Rank in Taxable Valuation Per Pupil, Rank in Expenditure Per Pupil of the One Room School Districts in McLean County 1934.....	58-59
Table 31. Receipts from Local Sources for High School Districts in McLean County for the Years 1933 and 1934.....	64
Table 32. Amount of Tax Levy, Receipts from the Levy, Amount of Delinquent Taxes for the Year 1933 in High School Districts in McLean County.....	65
Table 33. Receipts from Local Sources in Consolidated Graded Districts in McLean County for the years 1933 and 1934.....	66-68
Table 34. Receipts from Local Sources for the One Room School Districts in McLean County for the Year 1934.....	67-68
Table 35. Amount Received by High School Districts in McLean County for the Years 1933 and 1934 from State Apportionment, State Aid, County Tuition Fund, and Tuition from Other Districts.....	72
Table 36. Amounts Received by Consolidated Graded Districts in McLean County for 1933 and 1934 from the State Apportionment, State Aid, County Tuition Fund, and Tuition from Other Districts.....	73
Table 37. Amounts Received by One Room School Districts in McLean County in 1934 from the State Apportionment and County Tuition Fund.....	74-75
Table 38. Amounts Received by High School Districts in 1936 from State Equalization Fund on the Basis of Need, Per Teacher Unit, Tuition.....	78

	Page
Table 39. Amounts Received by Consolidated Graded School Districts, 1936 from State Equalization Fund on Basis of Need, Per Teacher Unit, Tuition.....	78
Table 40. Amounts Received by One Room School Districts in 1936 from State Equalization Fund on Basis of Need, Per Teacher Unit, Amounts paid Other Districts in Tuition.....	80-81
Table 41. Expenditures for School Purposes in McLean County in 1934.....	83
Table 42. Number of Schools Without Required Teaching Equipment, Number of Pupils Effected, in McLean County, 1934....	84
Table 43. Number Transported, Total Cost, Per Pupil Cost, System Used in High School and Consolidated Graded School Districts in McLean County, 1934.....	85
Table 44. Per Cent of Expenditures of Each Item of the General Fund for the State, and for McLean County, 1934.....	86-87
Table 45. Bonds, Certificates of Indebtedness, Warrants and ...	
46. Total Indebtedness of School Districts in McLean County, June 30, 1934.....	93-4-5
Table 46. Mill Levy for School Purposes, Interest and Sinking Fund, and Per Cent of Levy for McLean County School Districts in 1934.....	97-98
Table 47. Bonded Indebtedness, Fiver Per Cent Bonded Limit, Ten Per Cent Bonded Limit for All School Districts in McLean County Having Bonded Indebtedness, June 30, 1934.....	99-100

LIST OF FIGURES

FIGURE	Page
A. Agricultural Regions of North America.....	3a
B. Railroads and Highways in McLean County.....	9a
C. Mining Regions in McLean County.....	15a
D. Location of School Districts and School Houses in McLean County.....	16a
E. Taxable Valuation in McLean County for a Five Year Period...	35a
F. Rank of High School Districts in McLean County in Wealth Per Pupil, Expenditures Per Pupil, 1934.....	57a
G. Rank of Consolidated Graded School Districts in McLean County In Wealth Per Pupil, Expenditures Per Pupil, 1934.....	59a
H. Receipts from Local Source, Other than Local Source for Other than One Room School Districts in McLean County 1934..	75a
I. Receipts from Local Source, Other than Local Source for Several One Room Districts in McLean County, 1934.....	76a
J. Receipts from State Equalization Fund on the Basis of Need, Per Teacher Unit, Tuition, for other than One Room School Districts in McLean County, 1936.....	81a
K. Receipts from State Equalization Fund on the Basis of Need Per Teacher Unit, Tuition for One Room School Districts in McLean County, 1936.....	81b
L. Total Indebtedness Per Pupil, Bonded Indebtedness Per Pupil in Other than One Room Districts in McLean County, 1934.....	95a
M. Total Indebtedness Per Pupil, Bonded Indebtedness Per Pupil in One Room School Districts in McLean County 1934.....	95b

Chapter 1

INTRODUCTION

One of the fundamental problems in reference to public school education is the financial problem. This is a far reaching problem, for it concerns all individuals in a community. School administrators and boards of education meet the problem when they prepare the annual budgets, the citizenry at large meet the problem when they are called upon to pay taxes for the maintenance of the schools, the school population meets the problem when they attend the schools provided for them through the efforts of the school officials. The financing of schools has become increasingly difficult during the past few years, largely because of a decline in property valuations, and an increasing number of tax delinquencies.

Demands for more and better educational opportunities have been made upon the taxpayers. In keeping with the increasing demand, some school districts have provided larger and better buildings, better equipment, and better qualified teachers. Other districts have not been able to follow the lead of the more fortunate districts in providing better educational opportunities for the school population. As a result, inequalities in educational opportunities for the children have developed. This suggests the problem of this study, namely, what are the inequalities that exist in the school districts in McLean County?

Problem

The present study will be confined to comparisons relative to the abilities of the various school districts in McLean County to support public schools, and the relative effort shown by the districts in maintaining their schools. The problem, briefly stated then, is to survey the school districts of McLean County in order to discover support, the ability to support schools, the effort put forth to maintain the schools, and the inconsistencies in revenues and expenditures; and on the basis of this data arrive at a conclusion whether or not a change in our present system of school support is necessary.

Source of Data

The data for this study was obtained from original records on file in the offices of the county superintendent of schools, county auditor, and county treasurer. The annual reports of the county superintendent of schools, as well as the biennial reports of the state superintendent of public instruction, were also used. The data as obtained from these sources are for the years 1930 to 1934 inclusive, with the exception of the data for the Equalization Fund which was obtained from records in the county superintendents office for the school year ending June 30, 1936.

Limitations

This study is limited to a study of the financial conditions of school districts in McLean County. Errors sometimes occur in reports sent to the county superintendents office by the school boards. Errors may also result in the copying of data from the original records. Wherever errors have been discovered they have been corrected.

Chapter 2

GENERAL CONDITIONS IN MCLEAN COUNTY

The study of school conditions in McLean County necessitated a brief survey of various factors in the county which have a general bearing upon the schools. In order that the reader may better understand the situation in the county, this chapter presents some of the general conditions noted, as well as a bird's eye view of the schools.

Geographical

McLean County is located in the west central part of North Dakota. Its western boundary, which is touched by Dunn and Mountrail Counties, lies about fifty-five miles east of the Montana State line. Its norther line is some eighty miles south of the Canadian border, while its extreme southern tip lies just eighty-five miles north of the South Dakota line. It is bounded on the north by portions of the counties of Mountrail, Ward and McHenry; on the east by Sheridan and Burke Counties. On the south or southwest, the Missouri River forms the boundary line. McLean County lies in the "Farming-Grazing belt" of the United States, as is shown in Figure A.

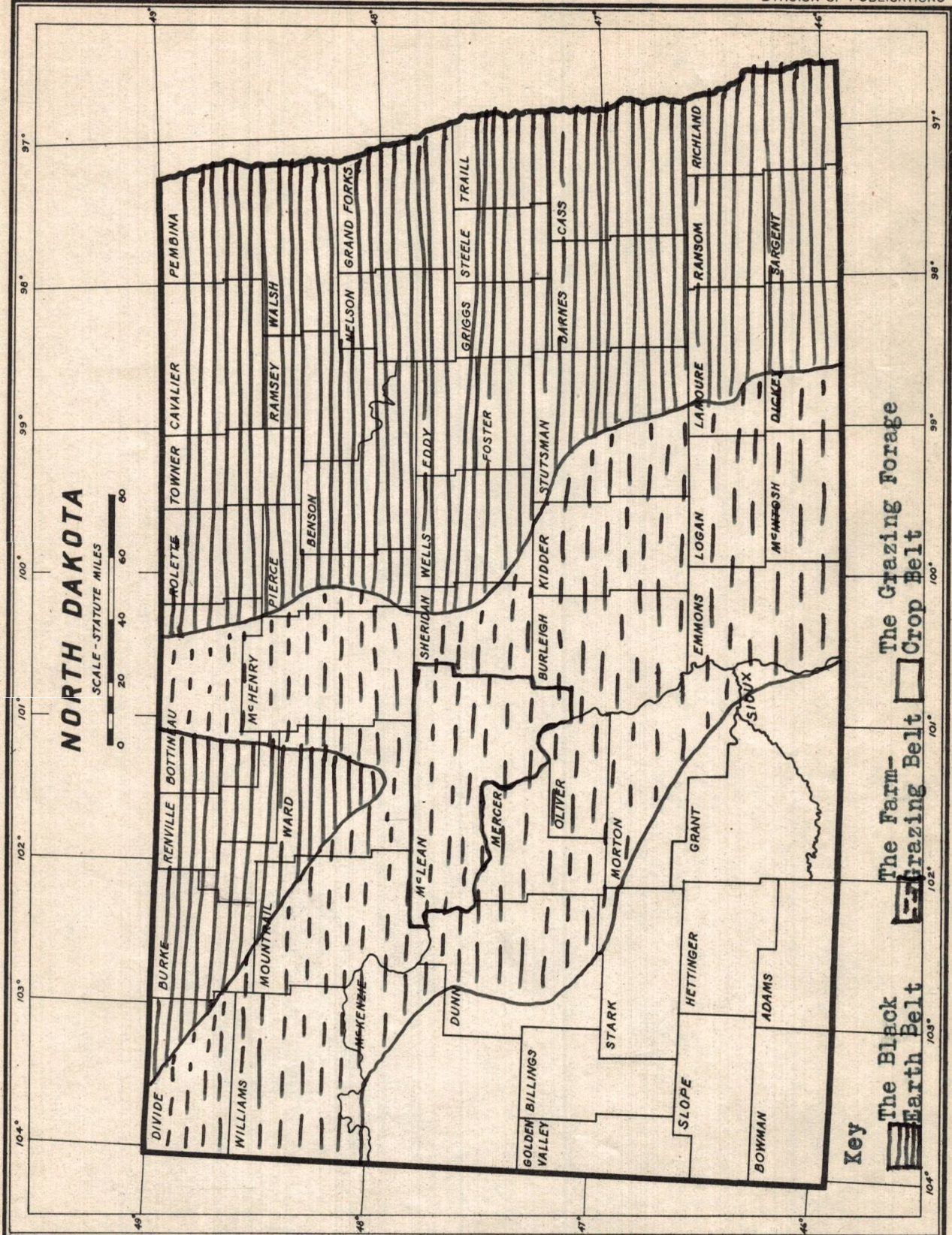
The county is approximately a right-triangle, the longest, southwest side of which is formed by the Missouri River. The county lies chiefly on the broad, nearly level, eastern portion of the Missouri plateau, which slopes gently westward and southward to the

¹Willard, Rex E., The Agricultural Regions of North Dakota, Bulletin Number 183, Agriculture College, Fargo, North Dakota, 1924, p. 87.

Agricultural Regions of North Dakota

U. S. DEPARTMENT OF AGRICULTURE

DIVISION OF PUBLICATIONS



Missouri River.²

The elevation is from 2,000 to 3,000 feet above sea level. The average precipitation is sixteen inches, being slightly higher in the north and lower in the south. The rainfall in the critical months of May and June amounts to about five and five tenths inches. There is a very high relationship between the rainfall and the yield of wheat, the correlation being represented by eighty-three per cent, indicating that the fluctuations in rainfall during the months of May and June are very effective on the production of wheat.

The average temperature for the growing season is sixty-five to sixty-six degrees. The frost free season is about 123 days over the county. The first average frost is September twenty-third and the average for the last frost is May fourteenth.

The soil is derived from the glacial deposit and is generally of a loam character. It belongs to the Williams series, which is a very fertile soil where not too rough to cultivate. The county has a land area of 1,475,200 acres, giving it a rank of second in area among the counties of the state. Eighty-three per cent or 1,224,889 acres of this total area is in farms. Of the 1,224,889 acres in farms, 894,042 acres is tillable land. Subtracting the 894,042 acres of tillable land from the total land area, 1,475,200 acres, leaves approximately 581,185 acres of untillable land in McLean County. In 1930 there were

²Simpson, H.H., Geology and Ground Water Resources of North Dakota, U. S. Gov. Printing Office, Washington D. C., 1929, p. 166.

³Willard, Rex E., The Agricultural Regions of North Dakota, Bulletin number 183, Agriculture College, Fargo, N. Dak., 1924, pp. 124-25

2,389 farms in the county with the average size farm containing 512.5 acres.⁴

Population

The population according to the 1930 census was 17,991, with a per square mile density of 7.8, or a rank of eleventh in population, and thirty-seventh in density among the counties in the state. The total white population is 17,194 divided as follows: Native white parentage 6,050, native white of foreign or mixed parentage 8,203, and foreign born white 2,941. The remaining 797 are of Indian blood. Those of Indian blood are found living in the northwestern part of the county on or near Fort Berthold Indian Reservation.

A comparison of the census reports for 1920 and 1930 show that the population changes over a period of ten years is not very great. The total population in 1920 was 17,266, while in 1930 it was 17,991 or an increase of 725 for the ten year period. This is an average yearly increase of seventy-two. If there were an even population distribution among the sixty-three school districts, each district would have an increase of one and fourteen hundredths persons per year. In the rural districts the population remains quite stable, while the increase in population in the county can be accounted for by the increase in population in the larger towns. The population increase over the ten year period was 801 in the five largest towns in the county. These population changes are rather important in a school survey for it shows that the rural districts do not need to anticipate great changes

⁴United States Census, 1930.

in the enrollment in their schools, while the town districts may look for slight increases.

Historical

McLean County was formally organized on November 1, 1883. Mr. Ordway, who was then governor, appointed as commissioners, John S. Veeder, Charles T. Martinson, Warner F. Lewis. The board met at Washburn on November 1 and organized by electing Mr. Veeder, Chairman, and appointed the following county officers: Register of Deeds and County Clerk, E. W. Gray; Judge of Probate, James Heath; Sheriff, John Satterlund; Treasurer, E. T. Winston; Coroner, E. H. Belyea; Superintendent of Schools, J. M. Carnahan; Surveyor, George Robinson; County Physician, Dr. J. H. Moseley; Justices of the Peace, M. Wallin, James Barton, Charles Weller, S. L. Crosely; Constables, W. H. Mann, John Nicklin, H. C. Hallum, and R. A. Coffey; Legal Advisor, E. L. McCure; Assessor T. J. Sevals. Washburn was made temporary county seat.⁵

The county is named in honor of Hon. John A. McLean then (1883) mayor of Bismarck. He was a contractor for ties and other material on the construction of the Northern Pacific railroad west from Duluth.⁶

Railroads and Highways

The eastern half of the county is well served by the Soo and the Northern Pacific railroads. The western half of the county is sparsely populated and the people have to transport their agricultural commodities to the towns on the Soo Line, just north of the county line. The first railroad came to McLean County in 1900 when the Soo was built

⁵ Andreas' Historical Atlas of Dakota, R. R. Connelley and Sons, Lake Side Press, Chicago, Ill., 1884, p. 194.

⁶Ibid, p. 193

from Bismarck to Wilton. In 1901 it was built to Washburn, in 1903 to Underwood, in 1905 to Garrison, and in 1906 it was extended to Max. The Northern Pacific line from Carrington/^{was} built to Turtle Lake, the end of that line, in 1905. In 1912, another Northern Pacific line from Pingree was extended to Wilton.⁷

There is at the present time 129.75 miles of railroad trackage in the county. The Soo Railroad has 116.08 miles and the Northern Pacific 13.67 miles. Only twenty-two out of the County's sixty-three school districts have any railroad trackage located within their limits. The range is from 0.90 miles in district number thirty-six to 18.18 miles in district number fifty-one. District number one is the only district that has trackage of the two railroads located within its limits.

There is a discrepancy between the number of miles of trackage reported in the districts by the school boards on their final reports to the County Superintendent and the number of miles of trackage as reported to the County Auditor by the railroads. See Table 1.

Table 1

Number of Miles of Trackage in Districts as Reported by School Board Clerks and by the Railroad Companies^a

District Number	Number of Miles of Trackage Reported by Clerks	Number of Miles of Trackage Reported by Railroads
1	7.00	9.15
2	3.00	2.82
3	2.00	6.00
4	4.00	7.41
7	6.00	7.56
8	3.00	7.34
31	2.00	1.08
36	1.00	.90
47	1.25	1.17

^a U. S. Census, 1930

Table 1 (Continued)

District Number	Number of Miles of Trackage Reported by Clerks	Number of Miles of Trackage Reported by Railroads
50	13.00	13.22
51	15.00	18.18
56	7.00	5.55
57	3.00	2.22
62	6.00	7.23
63	3.00	2.95
64	6.00	6.59
65	6.00	6.23
67	4.50	4.87
69	6.00	6.50
72	4.50	6.03
80	3.00	2.86
87	3.00	3.89
Total 109.25		129.75

^aFigures in this table were obtained from records in the County Superintendent's Office, and the County Auditor's Office.

In most cases the school officers did not report as many miles as the railroad companies did. In only six cases did the school boards report more than the railroad companies. This may show a rather lax attitude on the part of the school officers in reporting the correct number of miles. Had taxes been paid according to the number of miles reported by the school officers, the districts would be out several thousand dollars of tax money from the railroad companies, as there is a difference of twenty and one-half miles in the two reports, the boards being that many miles short on their reports. Sometimes the railroads, and public utilities are criticised for their unwillingness to pay taxes, but in this case they certainly have a desire to be fair. It is therefore suggested that the boards having railroad trackage within the limits of the districts that they are administering make necessary changes in order to bring their reports up to date.

McLean County has one Federal Highway, U. S. eighty-three, running north and south through the larger towns of the county. This is one of the main arterial highways of the state and is kept open during the winter months when the other highways for the most part are blocked by snow drifts. In addition to this highway there are other state highways as shown on Figure B. Very little attempt is made to keep the other highways open during the winter months, so that travel is very cumbersome, if at all possible. Even in the spring of the year, and after heavy rains, travel in the northeastern part of the county is almost impossible. Butte, located in this section, has been unable to participate in the athletic, and music events of the county because of the road conditions. The contests are held usually at Underwood, Washburn, and Garrison in the central part of the county.

Industries and Occupations

Agriculture is the predominating industry in the county, as is readily seen from the following table taken from the United States Census Report for 1930 on industries.

Table 2

Occupations and Number Engaged in Each in McLean County, in 1930¹

Occupations	Number Engaged
Agriculture	4,110
Professional and Semi-Professional	571
Wholesale and Retail	332
Other Personal and Domestic Services	258
Extraction of Minerals	192
Hotel, Restaurant	97

^aU.S. Census, 1930

Figure B

Railroads and Highways in McLean County

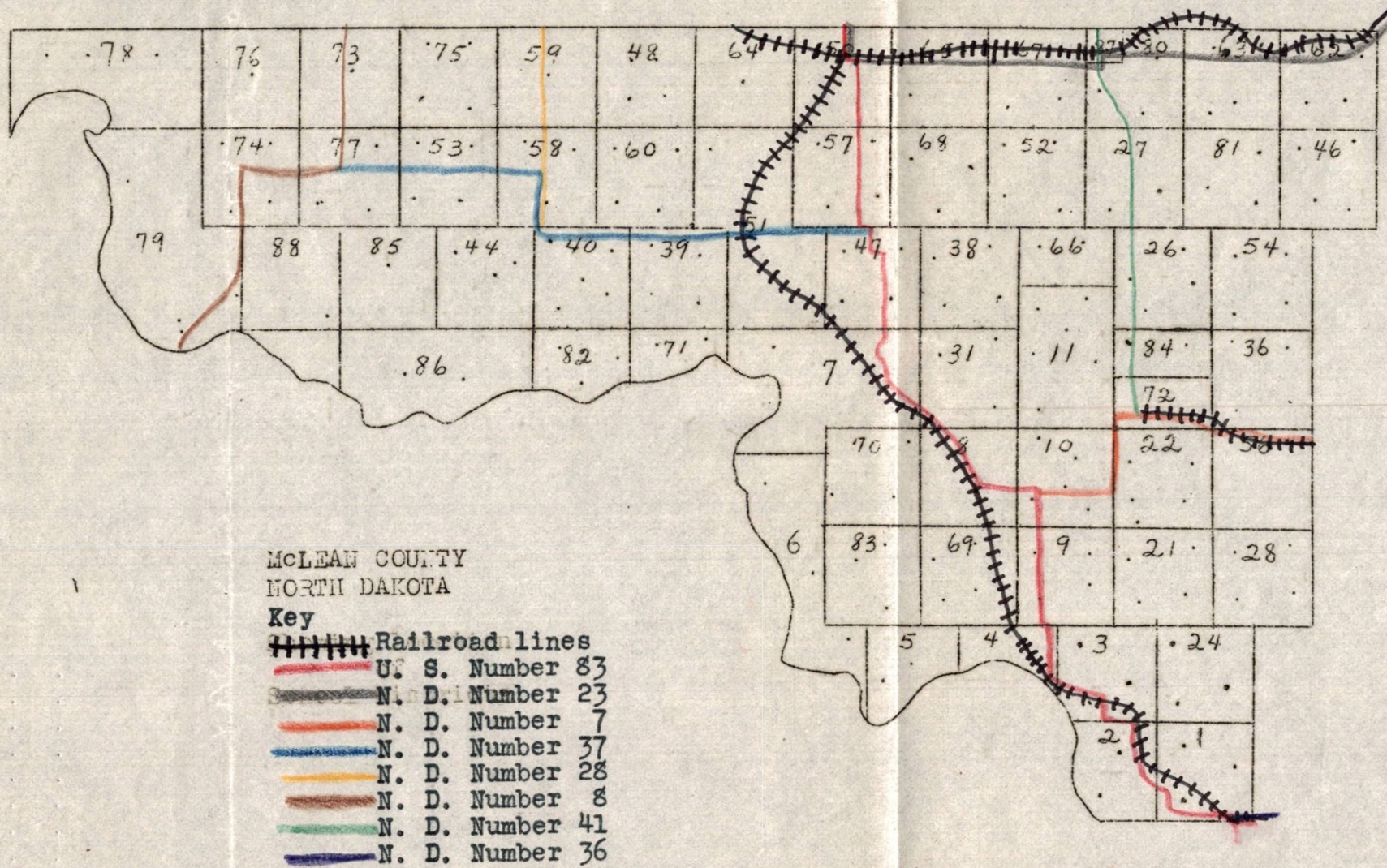


Table 2 (continued)

Occupations	Number Engaged
Building Industry	74
Garages, greasing stations	62
Steam and Street Railroad	57
Automobile Agencies and Filling Stations	57
Public Service not Classified	53
Independent Hand Trades	52
Construction and Maintenance of Streets	50
Postal Service	50
Other Trade Industries	43
Other Transportation Agencies	45
Banking and Brokerage	33
Other Manufacturing Industries	26
Iron and Steel Industry	25
Automobile Factories and Repairing	23
Other Food and Allied Industries	22
Recreational and Amusement	20
Paper, Printing and Allied Industries	15
Insurance and Real Estate	13
Bakeries	5
Clothing Industry	4
Forestry and Fishing	2
Chemical and Allied Industries	1

According to statistics in 1930, the chief agricultural product of the county is spring wheat in which it ranked first in the number of acres seeded, and third in the number of bushels produced. It ranked fourth in the number of acres of winter rye seeded, as well as in the number of bushels produced. It ranked first in the number of acres of brome grass produced. It ranked eighth in the number of cattle and milk cows. Looking at the ranking of the county in number of bushels of wheat produced, and the ranking in the number of cattle, we may conclude that diversification is a general practice in McLean County. It ranked second in the value of garden products marketed. The lowlands near the Missouri River offer splendid opportunities for the raising

of vegetables. Many of the gardeners have built their own irrigation plants and irrigate by pumping the river water up to the gardens. The rank of the county in other agricultural activities is given in table 3.

Table 3

Ranking of McLean County in Various Agriculture Activities for 1930^a

Agriculture Activity or Product	Ranking with other Counties
Acres of Sp. Wheat Sown	1
Bushels Harvested	3
Acres Durum Wheat Sown	23
Bushels harvested	26
Acres Flax Sown	15
Bushels harvested	20
Acres Oats Sown	21
Bushels harvested	26
Acres Barley Sown	35
Bushels harvested	31
Acres Winter Rye Sown	4
Bushels harvested	4
Acres Speltz Sown	9
Bushels harvested	12
Acres Corn Sown	18
Acres Potatoes Sown	26
Bushels harvested	24
Acres Alfalfa Sown	18
Acres Broms Grass Sown	1
Tons Prairie Hay Cut	8
Value Garden Products Marketed	2
Number of pounds cream sold	18
Number of Milk Cows	8
*Number of Cattle	8
*Number of Horses	2
*Number of Sheep	18
*Number of Chickens	18

^aCompiled Agricultural Statistics of North Dakota for period ending 1932, compiled by John Huseby, Commissioner of Agriculture and Labor.

In order to handle the grain products, McLean County has thirty-two grain elevators with a total capacity of 820,000 bushels.⁷

In agricultural equipment, McLean County ranks first among the counties of the state in the number of tractors, eighth in the number of grain separators, third in the number of combines, and twelfth in the valuation of all other farm machinery.⁸

In 1933 McLean County ranked thirty-eighth among the fifty-three counties of the state in land valuation per acre. At this time when the average value for the state was \$14.97 per acre, the average for McLean County was \$11.12.

In 1931 McLean County ranked thirty-fourth, and in 1929 it ranked twenty-ninth in land value per acre. This tends to show that land values decreased more in proportion in McLean County than in some of the other counties. The value per acre and rankings of other counties are also given in table 4. The per acre land values for table 4 were obtained from the Twelfth Biennial Report of the State Tax Commission for the period 1932 to 1934.

⁷Statement from Board of Railroad Commissioners of North Dakota, 1934.

⁸Proceedings of the State Board of Equalization, 1933, p. 98-99.

Table 4

The Average Value Per Acre of Farm Land by Counties in North Dakota
For the Years, 1929, 1931, 1933

County	1929	Rank	1931	Rank	1933	Rank
Adams	\$ 9.95	45	\$ 9.03	46	\$ 8.81	47
Barnes	33.53	6	25.49	6	20.41	9
Benson	21.67	22	17.08	21	16.01	21
Billings	6.96	51	6.07	51	5.99	52
Bottineau	17.62	24	16.32	22	16.32	20
Bowman	9.07	46	8.64	47	7.19	48
Burke	14.98	31	13.48	30	16.61	17
Burleigh	13.12	35	10.90	40	9.15	46
Cass	41.15	1	32.60	2	29.11	1
Cavalier	26.98	17	20.18	17	16.33	19
Dickey	28.69	13	22.62	11	17.55	14
Divide	14.72	32	13.42	31	13.28	30
Dunn	10.31	44	10.79	41	10.71	40
Eddy	24.73	19	19.05	19	17.71	13
Emmons	15.18	29	14.49	28	12.89	32
Foster	26.61	18	20.90	15	16.65	16
Golden Valley	8.81	49	8.64	47	5.56	53
Grand Forks	35.39	4	28.29	3	28.30	3
Grant	12.04	41	11.39	39	9.47	45
Griggs	28.61	14	22.24	13	19.50	11
Hettinger	12.27	39	11.59	38	10.87	39
Kidder	12.31	38	10.39	44	10.36	43
LaMoure	31.13	9	23.58	9	14.80	24
Logan	16.28	26	15.50	24	13.36	29
McHenry	14.31	33	12.85	33	12.88	33
McIntosh	18.80	23	15.83	23	15.04	23
McKenzie	7.81	50	6.63	50	6.77	50
McLean	15.18	29	12.81	34	11.12	38
Mercer	12.04	41	12.11	36	12.02	36
Morton	10.63	42	10.45	43	10.57	41
Mountrail	12.09	40	10.07	45	9.73	44
Nelson	28.11	15	19.05	19	16.55	18
Oliver	10.52	43	10.49	42	10.47	42
Pembina	29.55	11	23.65	8	18.96	12
Pierce	15.14	30	14.17	29	14.18	25
Ramsey	29.16	12	23.52	10	23.43	6
Ransom	30.07	10	22.54	12	22.82	7
Renville	16.08	27	14.69	27	13.09	31
Richland	32.66	7	28.15	4	19.76	10
Rolette	17.30	25	15.46	25	15.37	22
Sargent	31.94	8	25.39	7	25.72	5
Sheridan	14.11	34	13.31	32	12.78	34

Table 4 (Continued)

County	1929	Rank	1931	Rank	1933	Rank
Sioux	8.59	48	7.79	49	6.46	51
Slope	8.74	47	8.48	48	7.00	49
Stark	12.45	37	12.09	37	12.24	35
Steele	38.01	3	30.02	18	27.50	04
Stutsman	23.16	21	17.35	20	13.94	27
Towner	27.10	16	21.71	14	17.54	15
Traill	41.05	2	33.05	1	26.84	2
Walsh	33.95	5	27.24	5	15.87	28
Ward	16.00	28	14.77	26	21.85	8
Wells	24.05	20	20.49	16	14.13	26
Williams	12.61	36	12.18	35	11.98	37
State Average:	19.67		16.49		14.97	

Next to agriculture, coal mining is probably the most important industry except of course the necessary industries and occupations located in the towns. In 1925, Arthur G. Leonard, then State Geologist made the following remarks about the lignite coal deposits in McLean County.

"McLean County lies near the eastern margin of the lignite area of the state and is of more than ordinary interest for the following reasons:

- (1) Economical utilization of coals have been the subject for close investigation for some time. The tendency now is to utilize coal near mines for the production of electrical energy which will be sent out by lines to towns and farms miles away.
- (2) The best market for both power and fuel at the present time and the future will be the eastern half of the state.
- (3) McLean County is fairly well served by railroads.
- (4) There are no important workable lignite deposits east of this county so far as known, except in the Turtle Mountains, hence this area, together with similar areas to the northward, are in an advantageous position to serve increasing demands for fuel and power.

Most of the mining in McLean County is carried on in a belt about fifteen miles wide, lying just east of the Missouri River and adjacent to the Bismarck-Max branch of the Soo

Railroad. It includes the towns of Wilton, Washburn, Underwood, Coleharbor, and Garrison.⁹

Figure C shows the principal coal regions in McLean County.

In 1934 there were twenty-one counties in the state that had coal mines operating within their boundaries. The total production from these twenty-one counties was 1,940,669 tons. The total value of the output was 2,426,443 dollars and sixty-seven cents. During the same time we find twenty-three mines in operation in McLean County and producing 152,923 tons with a total value of 208,310 dollars and twenty-five cents. Ranking the county with the other twenty-one coal producing counties of the state, on the basis of number of mines, tons produced, and value of output, it ranks sixth.

During the year 1934 there were 104 miners and twenty-seven additional employees engaged in the mining industry. (This does not include truck drivers.) A total of 82,000 dollars was paid in salaries during the year,¹⁰ to people engaged in the mining industry.

Schools and School Districts of McLean County

There are four forms of school districts provided for in our school laws, namely:

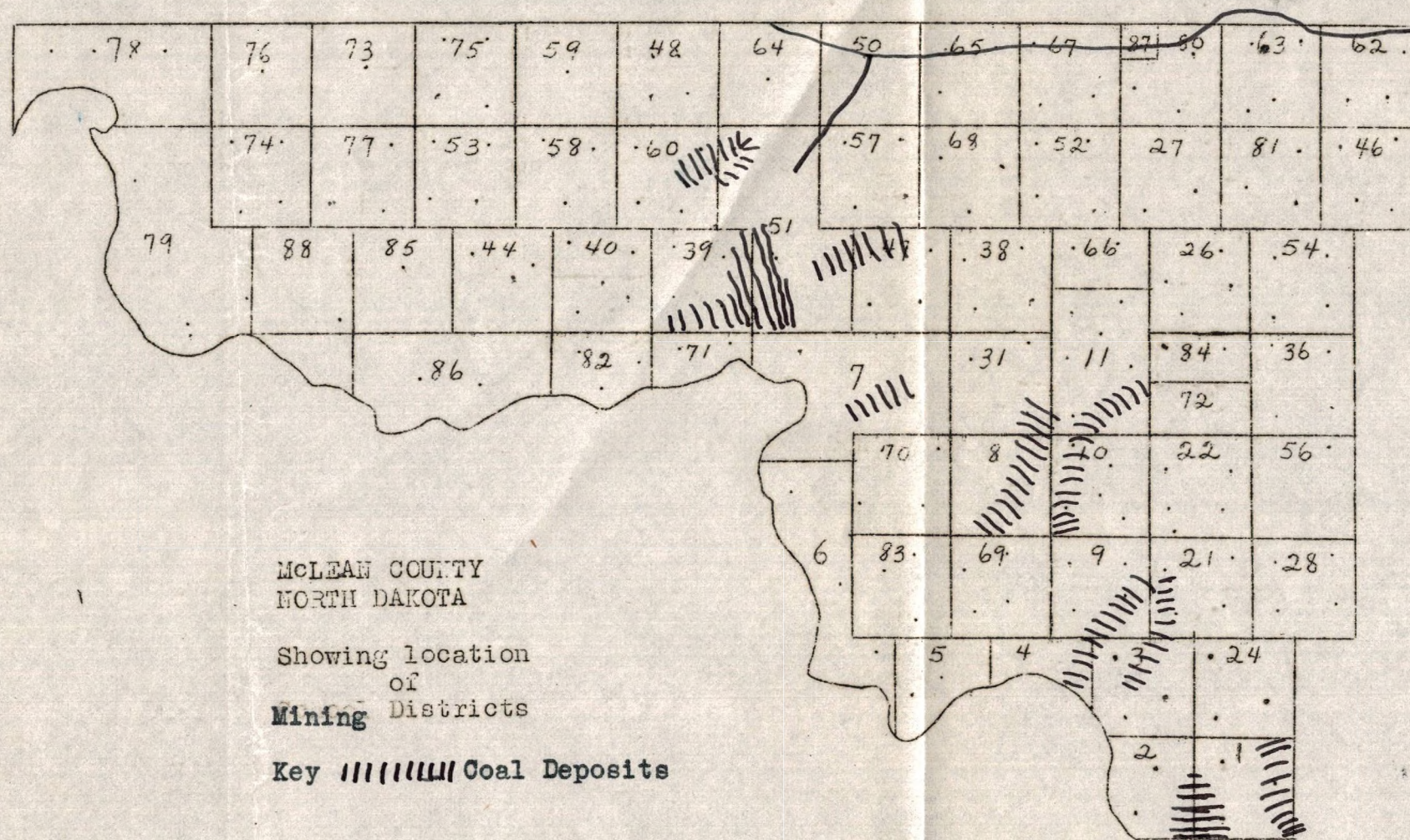
1. Common School districts;
2. Special Districts;
3. Independent Districts;
4. Districts in certain cities.¹³

A further examination of the school laws will disclose several different types of schools that may be operated within the above mentioned districts. There is therefore no direct relationship between the type

⁹ Arthur G. Leonard, North Dakota Geological Survey Bulletin, Number 4, 1925, pp. 111-125.

¹⁰ Sixteenth Annual Report of Coal Mine Inspection Department,

Figure C



of school district and the kind of school operated therein. The different types of schools in North Dakota are as follows:

1. One room school
2. Consolidated school
 - a. Open Country Consolidated
 - b. Town Consolidated
3. Graded Schools
 - a. Open Country Graded
 - b. Town Graded
4. Classified High Schools

Each of the above groups is further divided into first, second and third class for the basis of state aid distribution. They receive the gradings by meeting the requirements for each class as set up by the State Department of Public Instruction.

There are sixty-one districts in McLean County and two Special Districts as shown on figure D. District number one which is one of the special districts contains thirty-six sections of land, maintains two rural one-room schools, and a classified high school which is located in the city of Wilton. This district is in the southeast corner of the county. The other special district is number eighty-seven, located in the north-eastern part of the county. This district contains

State of North Dakota, for the year ending 1934, O. J. Olson, State Coal Mine Inspector.

¹¹State of North Dakota, General School Laws, Arthur E. Thompson, Superintendent, 1935, article 2, p. 40.

only six sections of land and maintains a one room school located in the village of Ruse. Thus the kind of school district and the kind of school classification does not show any relationship here. Neither is any direct relationship shown in the sixty-one common school districts and the school classifications. Eight of the common districts maintain four year high schools, three of the districts maintain two year high schools, in addition to the elementary school. The other districts maintain only elementary schools. So a district classification for purposes of comparisons would be of no real value in this county. Table five prepared from the County Superintendent's Annual Report for 1934 shows the kinds of schools and the number of each.

Table 5

The Number and Kinds of Schools in McLean County in 1934

Kind of School		Number of Each Kind
1.	One room schools	143
2.	Consolidated schools	8
	a. Open country	3
	b. Town consolidated	5
3.	Graded Schools	2
	a. Open country	0
	b. Town graded	2
4.	Classified High Schools	4

The above classification by types of schools does not adapt itself for Comparative purposes, either, because some of the consolidated schools have four years of high school, while others have only two years of high school, and still others maintain only the elementary school. The matter of classification for comparison is complicated further by the fact that in the districts that have classified high

schools or consolidated schools, there are also one room schools. Table 6 which omits for forty-nine districts having only one room schools will show types of schools maintained in each district.

Table 6

Kinds of Schools in Various Districts in McLean County in 1934

District Number	Classified High School	Consolidated High School	Graded	One Room
1	1			2
4	1			
7		1		1
8	1			
50		1		
51		1		
56		1		
62			1	2
64		1		
67		1		2
72	1			
73		1		
76		1		
79			1	2

Comparisons between the classified high schools and the consolidated schools would not be fair, because two of the consolidated schools maintain only the elementary schools; two maintain elementary schools plus two years of high school, and four maintain elementary schools and four years of high school. The largest consolidated school which is in Garrison has a total enrollment of 409. The largest classified high school which is located in Wilton has a total enrollment of 306. Garrison high school, the largest school in the county is incidentally the second largest consolidated school in the state. Hebron is the largest.

In order to be able to compare school districts maintaining somewhat the same type of school the following classification of schools will be used in this study:

All districts maintaining only one room schools will be placed in one division and will be called the One Room School Districts; there are forty-nine such school districts with 138 school houses, and 138 teachers. The total number of pupils in these forty-nine districts is 1916.

All of the districts maintaining elementary schools and a four year high school will be placed in another group and called High School Districts. There are nine such districts, employing seventy-eight teachers, and with an enrollment of 2,126 pupils.

In the third group will be placed all districts that maintain consolidated and graded schools that have two years of high school or less. These will be called the Consolidated Graded districts. There are five districts in this group, with nineteen teachers and an enrollment of 467 pupils. Three of these districts maintain two years of high school. The other two maintain only the elementary school. This difference will be remembered when the districts are being compared.

Variations exists among the High School districts in size and number of miles of railroad. See Table 7.

Table 7

Comparison of High School Districts in McLean County
In Size and Number of Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroad
1	36	9.15
4	12	7.14
7	72	7.56
8	36	7.34
50	36	13.22
51	72	18.18
56	36	5.55
62	36	7.23
72	<u>18</u>	<u>6.03</u>
Totals:	354	81.67

The average size of the high school districts is 39.43 sections. Five out of the nine districts each have thirty-six sections. All of the districts have railroad trackage ranging from 5.55 miles in district number fifty-six to 18.18 miles in district number fifty-one. or an average of 9.07 miles per district.

Table 8

Comparison of Consolidated Graded Districts in McLean County in
Size and Number of Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroad
64	36	6.59
67	36	4.87
73	36	0.00
76	36	0.00
79	<u>36</u>	<u>0.00</u>
Totals:	180	11.46

Table 8 shows that the Consolidated Graded Districts are uniform in size, containing thirty-six sections. Only two of the districts have railroads; districts number sixty-four and sixty-seven.

Table 9

Comparison of One Room Rural Districts in McLean County In Size
And Miles of Railroad

District Number	Number of Sections	Number of Miles of Railroad
2	29	2.82
3	35	6.00
5	26	0.00
6	51	0.00
9	36	0.00
10	36	0.00
11	54	0.00
21	36	0.00
22	36	0.00
24	36	0.00
26	36	0.00
27	36	0.00
28	36	0.00
31	36	1.08
36	36	.90
38	36	0.00
39	36	0.00
40	36	0.00
44	36	0.00
46	36	0.00
47	36	1.17
48	36	0.00
52	36	0.00
53	36	0.00
54	36	0.00
57	36	2.22
58	36	0.00
59	36	0.00
63	36	2.95
65	36	6.23
66	18	0.00
68	36	0.00
69	36	6.50
70	36	0.00
71	15	0.00
74	36	0.00

Table 9 (Continued)

District Number	Number of Sections	Number of Miles or Railroad
75	36	0.00
77	36	0.00
78	62	0.00
80	30	2.86
81	36	0.00
82	23	0.00
83	36	0.00
84	18	0.00
85	36	0.00
86	24	0.00
87	6	3.89
88	<u>36</u>	<u>0.00</u>
49	Totals: 1,784	36.62

The One Room Districts are quite uniform in the size of districts. Thirty-six of the districts are of the same size, all containing thirty-six sections. The other thirteen have a range from six sections in the smallest to sixty-two in the largest. The average number of sections in a district is 36.40. Only eleven of the forty-nine districts have railroad trackage within their limits. The range here is from 0.90 miles in District number 36 to 6.50 miles in District number 69.

The one room districts have only about one half the trackage that the High School Districts have, even though they have about six times the land area. The reason for this of course is that the High School Districts have towns within their boundaries and all of these towns have railroads coming in to them, while the One Room Districts are in the open country and only a very few of them are

crossed by railroad lines.

Table 10

Comparison of High School Districts in McLean County In Number
Of Students, Number of Teachers and Pupil Teacher Ratio

District	Number of Students		Number of Teachers		Teacher-pupil Ratio	
	Town School	One Room Schools	Town School	One Room School	Town School	One Room School
1	306	30	11	2	27.81	15.00
4	267		19		29.66	
7	133	7	5	1	26.60	7.00
8	272		8		34.00	
50	208		8		26.00	
51	409	24	13	1	31.46	24.00
56	99		5		19.80	
62	141	22	5	2	28.20	11.00
72	208		8		26.00	

The School districts of McLean County comply quite closely with the general accepted standard that there should be one teacher for at least every thirty pupils. Table 10 shows that only two, districts number eight and fifty-one have more pupils per teacher than the accepted standard. The smallest school in the group has the smallest number of pupils per teacher. The district with the largest number of students also has the largest number of teachers, but it does not have the largest pupil teacher-ratio. If we omit district number fifty-six from our comparison we find that there is a difference of eight students per teacher among the other eight districts.

The Consolidated Graded Districts are even closer to the standard than are the High School Districts. Table eleven and table twelve show that these districts have fewer pupils per teacher than the general standard.

Table 11

Comparison of Consolidated Graded Districts that Maintain Two Years Of High School in Addition to the Elementary School in Number Of Students, Number of Teachers and Pupil-Teacher Ratio

District	Number of Students		Number of Teachers		Teacher-Pupil Ratio	
	Consolidated Graded School	One Room School	Consolidated Graded School	One Room School	Consolidated Graded School	One Room School
67	87	27	3	2	29.00	13.50
76	31		3		27.00	
79	117	46	5	2	23.40	23.00

Table 12

Comparison of Consolidated Graded Districts that Maintain Only Elementary Schools, in Number of Students, Number of Teachers and The Pupil-Teacher Ratio

District	Number of Students		Number of Teachers		Teacher-Pupil Ratio	
64	51		2		25.50	
73	58		2		29.00	

The comparative results from these districts are not of as great value because the number of districts is small. The variation in pupil-teacher ratio is seven for the group in table 11. For the group in table 12 the variation is three and one half.

All of the OneRoom Districts have fewer pupils per teacher than the other two groups. See Table 13.

Table 13

Comparison of One Room Districts in McLean County in Enrollment.

Number of Teachers and Pupil Teacher Ratio

District	Number of Students	Number of Teachers	Teacher-Pupil Ratio
2	24	2	12
3	18	2	9
5	27	2	13.50
6	29	3	9.66
49	49	4	12.25
10	40	4	10.
11	62	4	15.50
21	29	3	9.66
22	35	3	11.66
24	29	3	9.66
26	48	3	16.00
27	20	1	20.00
28	70	4	17.50
31	37	3	12.33
36	50	3	16.66
38	49	3	16.33
39	25	2	12.50
40	71	5	14.20
40	60	3	20.00
46	38	4	9.50
47	83	4	20.75
48	50	4	12.50
52	66	4	16.50
53	53	4	13.25
54	42	3	14.00
57	43	4	10.75
58	37	3	12.33
59	22	1	22.00
60	29	3	9.66
63	36	3	12.
65	34	3	11.33
66	33	2	16.50
68	23	2	11.50
69	55	4	13.75
70	50	3	16.66
71	22	1	22.
74	56	4	14.00
75	70	4	17.50
77	50	3	16.66
78	48	2	24.

Table 13 (Continued)

District	Number of Students	Number of Teachers	Teacher-Pupil Ratio
80	33	3	11.
81	40	3	13.33
82	15	2	7.50
83	26	2	13.
84	21	2	10.50
85	15	1	15.
86	15	1	15.
87	19	1	19.
88	20	1	20

The number of pupils per teacher also has a greater range in the One Room School Districts. The range is from nine pupils per teacher, the lowest to 20.75 for the highest, a range of twelve students. Generally the districts with the larger enrollments also have the larger number of teachers, altho the district with the largest enrollment does not have the largest number of teachers. District number forty-seven has eighty-three students and four teachers, while district number forty has seventy-one students and five teachers. The reason for this, of course may be that in district number forty there are five schools and in district number forty-seven only four schools. On the whole for all groups of districts, the number of teachers increases or decreases with the number of students, even though the range in the ratio is quite large. There are fewer pupils per teacher in the One Room Districts than in the other groups. There is a steady increase in the number per teacher as we go from the One Room District through the Consolidated group to the High School District Group. There is an average of thirteen students per teacher in the One Room Districts; twenty-seven in the Consolidated Graded Districts, and twenty-eight in the High School Districts.

Table 14 shows that there is quite a difference in the length of the school term in the three groups of districts.

Table 14
Comparison of the Three Types of Districts
in Length of Term in Months

Number of Months	High School Districts	Consolidated Graded Districts	One Room Districts
7	0	0	9
8	0	1	29
9	9	4	11

All of the High School Districts have a nine months term. Four of the Consolidated Graded Districts have nine months only. District number sixty-four has an eight months term. The majority of the One Room Districts have an eight months term.

The County Superintendent of Schools of McLean County found by a comparison of failures in state examinations for the seventh and eighth grades, given in the county that there were fewer failures in districts that maintained a nine months term than in districts maintaining a seven months term. Out of a total of 1,787 papers written there were 401 failures or a failure of twenty-two per cent for the county. Districts with a seven months term showed a failure of forty-nine per cent, districts with an eight months term a failure of eighteen per cent, and districts with a nine-months term, thirteen per cent failures.

Building valuations in the three groups of districts show a wide range. The total value of buildings in the High School Districts

is \$97,134.00 or \$209.00 per pupil. This value seems to indicate that the High School Districts have the better school plants.

SUMMARY AND CONCLUSIONS

The following is a brief summary of the most important facts noted in chapter 2.

1. McLean County is located in the Farming Grazing region of North Dakota.

2. Diversified farming and mining are the chief occupations of the county in addition to the necessary trades and vocations and professions in the towns.

3. The population is 17,194 with about three thousand foreign born whites, and an Indian population of eight-hundred.

4. School boards do not report accurately the number of miles of railroad in their districts. For the county they were 20.50 miles short of the actual trackage as reported by the railroads.

5. High School Districts have twice as many railroad lines as the One Room Districts.

6. There are nine High School Districts, five Consolidated Graded Districts, and forty-nine One Room Districts.

7. High School Districts employ seventy-eight teachers, the Consolidated Graded Districts nineteen, and the One Room Districts one hundred-thirty-eight. The enrollment is 2,126, 467, and 1,916 respectively. The ratio of pupils to teachers is twenty-eight, twenty-seven, and thirteen respectively.

8. Thirty-six sections is approximately the average size of school districts.

9. The size and kind of district bears no direct relationship to the type of schools maintained in the district.

10. All of the High School Districts have a nine months term. All of the Consolidated Graded Districts have nine months except one. Eight months is the predominating length of term for the One Room Districts.

11. High School Districts have a higher building and site valuation than the other groups.

Chapter 3

ABILITY TO SUPPORT EDUCATION

The ability of a group of people to finance a certain project may be determined by the amount of money which they can draw upon for the project. The ability of a school district to support education may be determined by the amount of wealth in the district that can be used for school purposes. Since the greater part of the school revenue comes from local taxes, it is a necessary conclusion that the source from which the taxes come must be made the basis for ability to support education. The taxable assessed valuation of property in a district may therefore be a basis, or index, of ability to support education.

Paul R. Mort, in his book, *State Support for Public Schools*, says in part,

"In order that the burden of supporting the minimum program may be made to fall upon the people in all communities according to their ability to pay taxes, it is necessary to have a measure by which the relative ability of communities to support education may be determined. Just as the measure of educational need is required in order to determine the cost of a minimum program in a community, the measure of ability to pay taxes is required in determining the share of that cost which should be born by the community through state and local taxes.

Happily, the problem may be made a simple one. It may be simplified first by eliminating theoretical ability to pay from consideration. We need only to determine the ability to pay under the tax system actually used."¹

John K. Norton cites the wealth of a community as a measure of its economic power. The wealth of a state is therefore the basis for its ability to support education.²

¹Paul R. Mort, *State Support for Public Schools*, Bureau of Publications, Teachers' College Columbia University, New York City, 1926. pp. 16-17.

²John K. Norton, *The Ability of the States to Support Education*, National Educational Association, Washington, D. C. 1926, pp. 3-5.

In 1934 about ninety per cent of the school revenue in McLean County came from local taxation.³ When the greater portion of the school revenue comes from local district taxation then the ability to support schools must be measured to a large extent by the taxable valuation of the property in the district.

A factor which enters in with the taxable valuation as a basis for ability to support schools is the number of pupils that a district must provide education for. An example will illustrate this factor. If we have two school districts, each with a taxable valuation of \$200,000.00, it is quite clear that they both have the same ability to support schools, as far as taxable valuation is concerned. One of the districts though, has a total enrollment of one hundred twenty-five pupils, the other district has a total enrollment of two hundred pupils. The ability of the district, with the two hundred pupils, is much less per pupil, than in the district with only one hundred twenty-five pupils. In other words there is more taxable wealth behind each pupil in the district with one hundred twenty-five pupils, than in the district having two hundred pupils enrolled in its schools.

Because of the fact then, that the per pupil ability of districts to support education is determined by the taxable value of property, and the number of pupils attending school in the district, it becomes necessary to note the number of pupils enrolled, as well as the total taxable valuation of property in each district.

3. Twenty-third Biennial Report of the Superintendent of Public Instruction for the period ending June 30, 1934, Arthur E. Thompson, Superintendent, pp. 69-70.

Table 15 shows the enrollment in High School Districts by schools, over a five year period, as well as the average for the period.

Table 15

Enrollment by Schools and Districts in High School Districts in McLean County for the years 1930 to 1934^a

Dist- rict Num- ber	School Num- ber	1930		1931		1932		1933		1934		Five-year Average
		Num- ber	To- tal	Num- ber	To- tal	Num- ber	To- tal	Num- ber	To- tal	Num- ber	To- tal	
1	1	362	396	364	388	335	367	325	353	306	336	368
	2	15		15		15		18		17		
	3	19		9		17		10		13		
4	1	300	300	267	267	230	230	256	256	267	267	264
7	1	131	146	137	150	139	149	133	143	133	140	145
	2	15		13		10		10		7		
8	1	269	269	258	258	264	264	266	266	272	272	265.8
50	1	272	272	268	268	259	259	229	229	208	208	247.2
51	1	431	451	424	445	399	405	410	430	409	433	432.8
	2	20		21		16		20		24		
56	1	129	129	111	111	118	118	104	104	99	99	112.2
62	1	133	154	130	155	139	158	146	170	141	163	160.0
	3	12		15		9		10		11		
	4	9		10		10		14		11		
72	1	230	230	244	244	233	233	266	266	208	208	236.4
Totals		2347		2278		2183		2217		2126		2233.4

^aCounty Superintendent Annual Reports, 1930, 1931, 1932, 1934

There were no sharp variations in enrollment in the various districts over the five year period. For the group as a whole there is a gradual decrease in enrollment. One will notice at once that there are great variations in enrollment among the districts. If we follow the column for the year 1934 we find a variation from ninety-nine pupils in the district with the smallest enrollment to four hundred thirty-three pupils in the district with the largest enrollment.

One will see from table 16 that there are variations in enrollment in the Consolidated Graded Districts as well.

Table 16

Enrollment by Schools and Districts in Consolidated Graded Districts of McLean County for the years 1930 to 1934.^a

Dist- ricts	School	By School	To- tal	By School	To- tal	By School	To- tal	By School	To- tal	By School	To- tal	Av- er- age
64	1	59	59	50	60	61	61	54	54	51	51	57.
67	1	77	97	74	93	70	98	65	85	87	114	97.4
	2	9		10		16		12		14		
	3	11		9		12		8		13		
73	1	73	73	72	72	65	65	62	62	58	58	66.0
76	1	87	87	78	78	84	84	87	87	81	91	81.6
79	1	28	44	24	37	21	35	61	121	117	163	80.0
	2	7		6		7		29		11		
	3	9		7		7		31		35		
Total			360		340		343		409		467	382.0

^aCounty Superintendent's Annual Reports, 1930, 1931, 1932, 1933, 1934.

The range in enrollment for the year 1934 is from fifty-one pupils in district number sixty-four to one hundred sixty-three pupils in district number sixty-seven. For the group as a whole there has been an increase in enrollment.

A decrease in enrollment is noted in the One Room Districts over a similar period (table 17). The range in enrollment in this group of districts for the year 1934 is from fifteen pupils in, each of three districts, to eighty-three in district number forty-seven.

It is quite evident from tables 15, 16, and 17 that there is a wide range in enrollment among the school districts in McLean County. For the county as a whole the total enrollment from 1930 to 1934 has decreased by about two hundred.

Should we, at this time, dare suppose that all school districts in McLean County had the same taxable valuation there would be a great inequality per pupil in ability among the school districts to support

Table 17

Enrollment in One Room School Districts in McLean County for
1930 and 1934

District	1930	1934
2	22	24
3	32	18
5	14	27
6	37	29
9	44	49
10	53	40
11	54	62
21	59	29
22	46	35
24	47	29
26	49	48
27	24	20
28	74	70
31	33	37
36	46	50
38	45	49
39	27	25
40	81	71
44	35	50
46	41	28
47	106	83
48	59	50
52	86	66
53	60	53
54	54	42
57	68	43
58	42	37
59	27	22
60	48	29
63	29	36
65	46	34
66	32	33
68	39	23
69	51	55
70	33	50
71	28	22
74	70	56
75	75	70
77	55	50
78	17	48

Table 17 continued

80	23	33
81	46	40
82	9	15
83	322	26
84	36	21
85	20	15
86	21	15
87	14	19
88	00	20
Totals	2004	1916

^aCounty Superintendents' Annual Reports for 1930, 1934.

education because of the difference existing among the districts in enrollment. One would hardly expect to find a situation though, where the taxable valuation of property would be the same in all districts. This naturally leads us to the second step in this chapter, namely, the taxable valuations of the various school districts.

The taxable valuation of property in McLean County as is shown in Figure 7 has dropped from \$20,376,502.00 in 1930 to \$10,169,350.00 in 1934, a reduction of about fifty per cent. This reduction in taxable valuation has reduced the abilities of school districts to support their schools.

The column headed taxable valuation in table 18, shows at a glance that inequalities exist among High School Districts in ability to support education when such ability is based upon the taxable valuations of prosperity. The taxable valuations were obtained from records in the office of the county superintendent.

Figure E
Taxable Valuations in McLean County
for a Five Year Period

Millions
of dollars
22

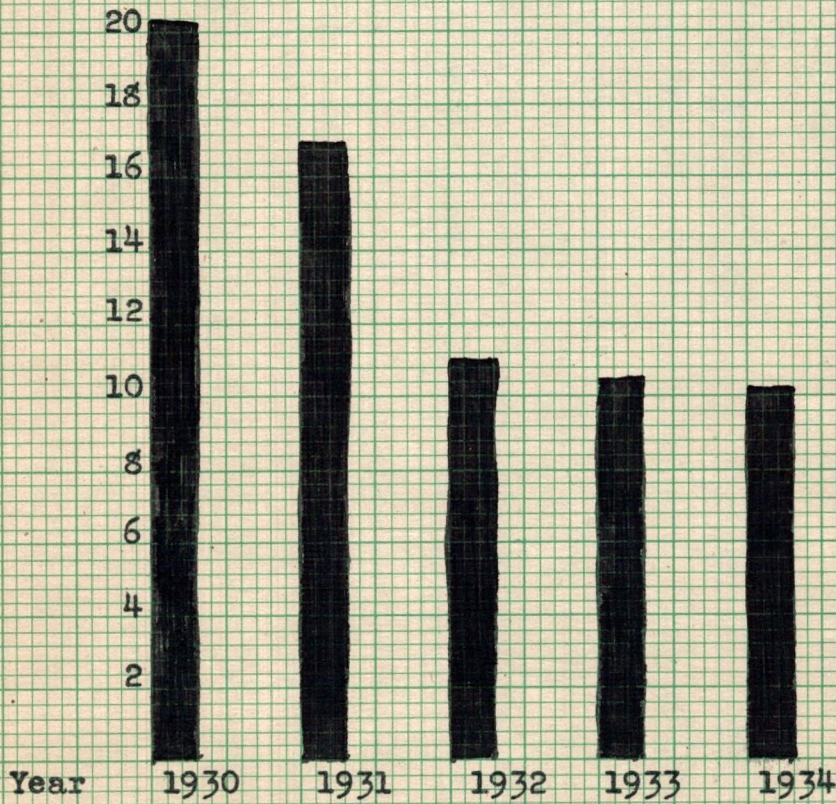


Table 18

Taxable Valuation, Taxable Valuation Per Pupil and Amount

Raised Per Pupil at Eighteen Mills in High

School Districts in McLean County 1934^e

District	Taxable		Per Pupil		Amount that can be raised
	Valuation	Taxable Valuation	Per Pupil	Taxable Valuation	Per pupil at eighteen mills
1	\$463,598		\$1,379.00		\$24.82
4	536,589		2,009.00		36.16
7	399,632		2,854.00		51.37
8	366,897		1,348.00		24.27
50	303,964		1,461.00		26.30
51	719,780		1,662.00		29.91
56	230,899		2,332.00		41.98
62	200,071		1,227.00		22.08
72	281,761		1,354.00		24.38
^e County Superintendent's Annual Report, 1934.					

District number fifty-one shows the greatest ability to support schools on the basis of total taxable valuation. On the basis of taxable valuation per pupil District number seven shows the greatest ability to support schools. The column headed per pupil taxable valuation was prepared by dividing the total taxable valuation of each district by the total enrollment in each district. District number sixty-two has the least ability in taxable valuation per pupil to support education. According to the total valuation it also has the least ability to support schools. Comparisons for other districts can be made in similar fashion from the table.

The last column in Table 18 shows the amounts that can be raised per pupil for school purposes at an eighteen mill levy. The eighteen mill levy is used because that is the legal limit that school boards can levy without holding a special election to increase the

levy. The abilities of the High School Districts to support education on the basis of amounts that can be raised per pupil at an eighteen mill levy falls short of the required ability, as the average cost per pupil for the county in 1934 was sixty dollars per pupil. Districts number seven comes the closest to meeting the requirements. This district can raise \$51.37 per pupil. It must, however, be pointed out that the school boards in the High School Districts can levy as high as twenty-seven mills for general school purposes if "authorized to do so by sixty per cent of the electors voting upon the question at a regular or special election."⁵ At a twenty-seven mill levy District number seven can raise seventy-six dollars. District number sixty-two which showed the least ability to support schools can raise only thirty-three dollars per pupil even at twenty-seven mills. The implications must therefore be that inequalities exist among the High School Districts in ability per pupil based on taxable valuation of property to support education. Another implication is that an eighteen mill levy does not bring in enough revenue per pupil to meet the average per pupil cost in the county.

⁵ State of North Dakota, General School Laws, Arthur E. Thompson Superintendent, 1935, Section 410, pl47.

Table 19

Amounts That Can Be Raised Per Pupil at Twenty-Seven Mills at
Present Valuation, Amounts at Eighteen Mills on One
Hundred Per Cent Valuation In High School
Districts in McLean County

District	Twenty-Seven Mills	Eighteen Mills on One Hundred Per Cent Valuation
1	\$37.23	\$54.54
4	55.24	72.32
7	77.05	108.16
8	37.39	48.54
50	39.44	42.60
51	34.87	59.82
56	62.96	53.96
62	33.12	51.18
72	36.55	48.76

Table 19 indicates the amounts that may be raised in High School Districts at various levies and valuations. It is interesting to note that a twenty-seven mill levy on the fifty per cent valuation does not begin to come near the amount raised at eighteen mills on the one hundred per cent valuation.

Column one in Table 20 reveals similar inequalities in taxable valuations in the Consolidated Graded Districts.

Table 20

Total Taxable Valuation, Taxable Valuation Per Pupil, and Amounts
That Can be Raised by A Sixteen Mill Levy in the
Consolidated Graded Districts in
McLean County 1934^a

District	Taxable Valuation	Taxable Valuation Per Pupil	Amount Raised Per Pupil at Eighteen Mills
64	\$190,336	\$3,732	\$59.71
67	152,836	1,340	21.44
73	166,226	2,865	45.84
76	150,734	1,737	27.79
79	88,209	541	8.65

^aCounty Superintendents Annual Report 1934

District number seventy-nine has the least ability to support schools when based on both the taxable valuation and per pupil ability. District number sixty-four has the greatest ability in both taxable valuation and taxable valuation per pupil. The range in taxable valuation per pupil is from \$541 in District number seventy-nine to \$3,732 in District number sixty-four. The last column in Table 20 shows the amounts that can be raised by each of the districts at sixteen mills, the legal limit without a special election. District sixty-four meets the average for the county, while District seventy-nine can raise only \$8.65 per pupil. District number seventy-nine is therefore thought of as having very little ability to support. The situation in the district is not as bad as it may seem. The district has many Indian pupils attending its schools. The Federal Government pays the greatest share of the school expenses of the district. In 1936 the Federal Government built a \$40,000 school building in the district and turned it over to the district as an outright gift.

One Room Districts have a much greater ability per pupil to support education than the other two groups of districts. A comparison of column two in Table 21 with column two in Tables 18 and 20 shows this to be true.

Table 21.

Total Taxable Valuation, Taxable Valuation Per Pupil, and Amount That
Can Be Raised Per Pupil at Fourteen Mills in the One Room

School Districts in McLean County 1934

District	Taxable Valuation ^a	Taxable Valuation Per Pupil	Amounts at Fourteen Mills
2	\$128,446	\$5,351	\$74.92
3	177,263	9,847	137.85
5	94,602	3,503	49.04
6	177,664	6,126	85.76
9	215,058	4,388	61.43
10	197,840	4,946	69.24
11	191,648	3,091	43.27
21	123,773	4,268	49.75
22	105,827	3,026	42.36
24	111,522	3,811	53.35
26	116,989	2,437	34.11
27	105,325	5,266	73.72
28	152,762	2,182	30.54
31	145,386	3,929	55.00
36	135,752	2,715	38.01
38	152,521	3,112	48.56
39	134,974	5,398	75.57
40	149,641	2,107	29.49
44	173,524	2,725	38.15
46	137,740	3,625	50.75
47	157,990	1,903	26.64
48	149,205	2,984	41.77
52	144,223	2,185	30.58
53	187,738	3,542	49.58
54	131,601	2,704	37.85
57	171,585	3,990	55.86
58	159,597	4,313	60.38
59	150,192	6,826	92.76
60	148,245	5,111	71.55
63	146,100	4,058	56.81
65	173,765	5,110	71.54
66	55,668	1,686	23.60
68	130,622	5,679	79.50
69	223,599	4,065	56.91
70	200,443	4,008	56.11

^aCounty Superintendent Annual Report, 1934

Table 21 (Continued)

District	Taxable Valuation	Taxable Valuation Per Pupil	Amounts at Fourteen Mills
71	\$55,688	\$2,531	\$36.43
74	144,219	2,575	35.75
75	153,113	2,187	30.61
77	169,609	3,392	47.48
78	55,313	1,164	16.29
80	103,980	5,150	44.10
81	130,151	3,253	45.54
82	87,103	5,806	81.28
83	209,893	8,072	113.00
84	69,159	3,993	46.10
85	31,165	2,077	29.07
86	30,023	2,001	28.01
87	62,121	3,269	45.76
88	28,504	1,425	19.95

It is evident from column one in Table 21 that inequalities in ability to support education exists among the One Room School Districts also. Column two shows that similar inequalities exist among the districts on the basis of per pupil ability. There are fourteen districts that can raise \$60 or more per pupil with a fourteen mill levy.

Table 22 which is compiled from data taken from Tables 19, 20, and 21, show that great inequalities exist among the school districts in taxable valuation per pupil. The inequalities are the greatest in the One Room Districts.

Table 22
Taxable Valuation Per Pupil in the Various Districts
in McLean County 1934

Taxable Valuation Per Pupil	Number of Districts With the Designated Taxable Valuation Per Pupil			One Room Districts
	High School Districts	Consolidated Graded District	District	
9,500-9,999				1
9,000-9,499				
8,500-8,999				
8,000-8,499				1
7,500-7,999				
7,000-7,499				
6,500-6,999				
6,000-6,499				1
5,500-5,999				1
5,000-5,499				2
4,500-4,999				5
4,000-4,499				1
3,500-3,999				6
3,000-3,499		1		7
2,500-2,999	1			7
2,000-2,499	2	1		5
1,500-1,999	1			8
1,000-1,499	5	1		2
500- 999		1		2
0- 499		1		

Some of the school districts have property of railroad companies and power companies located within their limits. This additional property increases the taxable valuation in a district, consequently, the districts ability to support education is increased. Table 23 shows that there are twenty-eight school districts in McLean county that have property of such companies within their limits. The material for this table was obtained from records in the County Auditor's office.

Table 23

Taxable Valuation of Railroad Property and Power Plant Property
by Districts in McLean County 1933-34^a

District Number	Taxable Valuation of Railroad Property	Taxable Valuation of Power Plant Property	Totals
1	\$59,534	\$8,763	\$68,297
2	19,740	3,284	23,024
3	39,965	2,985	42,950
4	40,086	268,648	308,734
7	50,831	3,142	53,973
8	48,113	11,594	59,707
10		3,483	3,483
11		1,493	1,493
22		1,493	1,493
31	7,560	2,985	10,545
36	14,580		14,580
38		3,035	3,035
47	8,190	2,925	11,115
50	74,819	4,782	79,501
51	104,283	37,378	141,661
52		2,985	2,985
56	86,660	5,050	91,710
57	15,540	1,755	17,295
62	39,721	1,986	41,707
63	17,700		17,700
64	39,540		39,540
65	37,380		37,380
67	26,368	6,525	32,890
69	44,215	7,766	51,981
70		1,463	1,463
72	82,686	6,197	88,883
80	17,160		17,160
87	20,290		20,290
Totals 28	894,958	389,717	1,284,575

^aRecords on file in the County Auditor's office

District number four has a taxable valuation of \$308,734 of such property. This property adds greatly to the ability of such a district to support education. Thus we may conclude that such property may increase the taxable valuations of districts in which they are located.

It is quite evident from the discussion in this chapter that inequalities in taxable valuations, as well as taxable valuations per pupil exist among the school districts in McLean county and that these have a direct bearing upon the ability of the districts to support education.

Chapter 4

EFFORT TO SUPPORT SCHOOLS

We have just seen in chapter three that the ability of a given school district to support education is based upon the taxable wealth behind each pupil. In this chapter our problem will be to discover the effort that school districts in McLean County put forth to support their schools, and to note any variations among the districts in their efforts to provide education for the pupils in the district.

By effort we mean the amount of money that a district spends for education, and the type of school that the district provides for the students, the total amount of money that a school district spends for the support of the schools, is not necessarily a good index of the effort shown by that district to maintain its schools. A district may be maintaining a very large system, because of the size of the district and the number of pupils in the district, hence, we would expect such a district to spend more money than a district with an enrollment several times smaller. This leads to the necessity of determining some comparable index that can be used so, that comparative efforts of the districts can be shown. By type of school, in this study, is meant elementary school and high school. A school district that maintains a high school for its students would necessarily be showing greater effort to provide education for them than a school district that does not provide such facilities for its school population. The problem resolves itself into two parts, first, comparative financial effort

to support, second, effort as shown by the type of schools provided.

Effort as Shown by Types of Schools

In chapter two a classification of the school districts in the county was made on the basis of the type of school maintained in the district. It will be recalled that on this basis there were three main district classifications, the High School Districts, the Consolidated Graded School Districts, and the One Room School Districts.

It is evident that the High School Districts show a possible greater effort in providing education for the students, than do the other two groups, because the High School Districts maintain four years of high school, in addition to the elementary school. The Consolidated Graded School Districts, with two exceptions, maintain two years of high school, in addition to the elementary school. The other two districts in this group maintain only the elementary schools. Certainly, this group does not show as great effort as the High School Districts, because they do not provide four years of high school. The One Room School Districts maintain only elementary schools. Comparatively speaking then, on the basis of type of school provided, the High School Districts show the greater effort, the Consolidated Graded School Districts rank second, and the One Room School Districts show the least effort. The inference of course must not be made that the One Room School Districts should necessarily maintain high schools. With the property valuation in the One Room School Districts it would be almost an impossibility for them to do so.

Financial Effort to Support Schools

Three indices of financial effort shown on the part of the districts to support education will be used in comparing the effort shown by the school districts. They are: first, effort as shown by tax rates levied on taxable property in the district; second, the amount expended per pupil for school purposes; third, the relationships of expenditure per pupil, to taxable valuation per pupil.

Effort Based on Tax Rate

A school district which levies the maximum allowed by law for school purposes is showing a greater effort to support its schools than a district which does not levy the maximum, all other things being equal. In order to compare districts on the basis of the tax rate it becomes necessary to examine the school laws of North Dakota in order to find out what levy limitation apply in the various school districts in McLean County.

Section 402 of the school laws of North Dakota provides that,

"The aggregate amount levied by any school district whether common, independent or special shall not exceed such amount as will be produced by a levy of fourteen (14) mills on the dollar of the net assessed valuation of the district; provided, however, that any school district may levy not to exceed eighteen mills (18) on the dollar of the net assessed valuation, if the excess, or such portion thereof as may be necessary, is to be used for the purpose of paying tuition, as provided by law, of resident pupils who attend high school in another district, except that:

(2) Any district giving two years of standard high school work may levy taxes not to exceed sixteen (16) mills and;

(3) Any district giving four years of standard high school work may levy not to exceed eighteen (18) mills, and;

(4) Any school district maintaining a consolidated school may

levy not to exceed sixteen (16) mills on the dollar of its net taxable valuation." ¹

Section 417 provides further that

"the notice of a tax levy to pay any judgment against the district shall be in addition to the regular tax and shall be certified to the County Auditor-----". ²

Section 410 provides for an increase over the limits previously set, as follows.

"A county, city, village, township, or school district may levy taxes in excess of the limitations prescribed by section four to eight inclusive of this act, when authorized so to do by sixty (60) per cent of the electors voting upon the question at a regular or special election, provided however, that the excess levy shall not be more than fifty per cent over and above the legal limitations of the levy". ³

In addition to the above named levies, the law provides for other levies to be made to establish a fund to pay the interest and principal on bonds. The levies for such purposes will be considered in another chapter.

The levy limitations for school purposes that apply in the three district groupings used in this study are as follows: High School Districts, eighteen mills, which may be increased to twenty-seven mills; Consolidated Graded School Districts, sixteen mills, which may be increased to twenty-four mills; and One Room School Districts fourteen mills, which may be increased to twenty-one mills.

¹ State of North Dakota, General School Laws, Arthur E. Thompson, Superintendent, 1935, p. 143.

² Ibid, Section 410, p. 151

³ Ibid, Section 410, p. 147

School districts that levy the regular limit of eighteen, sixteen, and fourteen mills, respectively, for their class of district will be considered as showing a maximum effort to support their schools, and districts that levy more than the above up to the final limit of twenty-seven, twenty-four, and twenty-one mills, respectively, for the three groups of districts will be considered as showing a greater than maximum effort to maintain schools.

The tax rates for the High School Districts for a five year period are shown in table twenty-four. The data for this table and other tables in this chapter was obtained from records in the county superintendents office.

Table 24

Tax Rates For School Purposes For A Period of Five Years
In The High School Districts In McLean County^a

District	1930	1931	1932	1933	1934
1	.018	.018	.018	.018	.018
4	.027	.0252	.018	.018	.018
7	.0139	.018	.018	.027	.02064
8	.027	.0252	.018	.027	.027
30	.023	.0254	.0249	.018	.027
51	.0245	.027	.018	.027	.0268
56	.0078	.018	.018	.018	.018
62	.018	.018	.0119	.018	.018
72	.0173	.018	.018	.018	.027

^aCounty Superintendent's Annual Reports, 1930, 1931, 1932, 1933, 1934.

In 1934 all of the High School Districts showed a maximum or greater than maximum effort to support their schools. Five of the districts levied more than eighteen mills, and four districts levied

School districts that levy the regular limit of eighteen, sixteen, and fourteen mills, respectively, for their class of district will be considered as showing a maximum effort to support their schools, and districts that levy more than the above up to the final limit of twenty-seven, twenty-four, and twenty-one mills, respectively, for the three groups of districts will be considered as showing a greater than maximum effort to maintain schools.

The tax rates for the High School Districts for a five year period are shown in table twenty-four. The data for this table and other tables in this chapter was obtained from records in the county superintendents office.

Table 24

Tax Rates For School Purposes For A Period of Five Years
In The High School Districts In McLean County^a

District	1930	1931	1932	1933	1934
1	.018	.018	.018	.018	.018
4	.027	.0252	.018	.018	.018
7	.0139	.018	.018	.027	.02064
8	.027	.0252	.018	.027	.027
50	.023	.0254	.0249	.018	.027
51	.0245	.027	.018	.027	.0268
56	.0078	.018	.018	.018	.018
62	.018	.018	.0119	.018	.018
72	.0173	.018	.018	.018	.027

^aCounty Superintendent's Annual Reports, 1930, 1931, 1932, 1933, 1934.

In 1934 all of the High School Districts showed a maximum or greater than maximum effort to support their schools. Five of the districts levied more than eighteen mills, and four districts levied

the maximum of .014 mills, and thirty three that levied more than the maximum of .015 mills. Two districts levied beyond the .021 mill limit. Their levies went beyond the limit because they had made additional judgment levies. In 1930 fifteen of the districts levied the maximum of .014 mills, and one levied .016 mills. In 1930 the average levy was .00843 mills; in 1934 it was .01534 mills, or an average for the five year period of .01311 mills.

The range in tax rate for school purposes among the One Room School Districts in 1934 was .025 mills. This indicates that there are great inequalities in tax rates for school purposes among the districts, even though the group as a whole shows great effort to maintain their schools.

Comparing the three groups of districts in average tax rates for the five year period we find that they rank in the following order from highest to lowest: High School Districts, Consolidated Graded School Districts, One Room School Districts. Ranking the groups of districts on the basis of average tax rates for the year 1934 we find them in the same order. This may indicate that the High School Districts show a greater effort on the basis of tax rate to support schools. Tables 24, 25, and 26, give conclusive proof that inequalities exist between the school districts in McLean County in the amount of effort that is shown in supporting the schools. Some of the districts have put forth all of the effort allowed them by law, that is they have raised the tax rate to the limit allowed by the statutes, while other districts showed no levies at all for some years.

eighteen mills. Only four times during the five year period did any of the districts levy less than eighteen mills. The average tax levies for each of the five years is as follows: 1930, .0961 mills; 1931, .02142 mills; 1932, .01808 mills; 1933, .02100 mills; 1934, .02224 mills, or an average of .02047 mills for the period. There is an increase of about .003 mills in the tax levy from 1930 to 1934.

Even though all of the High School Districts showed a great effort in 1934 to maintain their schools there were also inequalities in the effort. The difference between the lowest rate and the highest was .009 mills.

In 1934 all of the Consolidated Graded Districts, except district number 79 put forth more than a maximum effort to support their schools, because as is seen in the last column in table 25 the tax rate was over .016 mills for all the districts except number 29. District number 79, it will be recalled, has a large number of Indian children attending its schools and the Federal Government pays the district a tuition for these students. Eleven times during the five

Table 25

Tax Rates For School Purposes In Consolidated Graded School Districts
In McLean County Over A Five Year Period^a

District	1930	1931	1932	1933	1934
	Tax Rate				
64	.000	.016	.014	.014	.020
67	.000	.0158	.014	.018	.018
73	.016	.016	.016	.018	.0178
76	.0252	.0229	.0234	.024	.026
79	.000	.014	.000	.017	.0142

^aCounty Superintendent's Annual Reports, 1930, 1931, 1932, 1933, 1934.

year period did any of the districts levy less than the maximum rate. The average rate for each of the five years is as follows: 1930, .00824 mills; 1931, .01694 mills; 1932, .01328 mills; 1933, .01820 mills; 1934, .01920 mills, or an average for the five years of .01517 mills. There was an increase of .01096 mills in the tax rate from 1930 to 1934.

Inequalities in tax rates are noted for the Consolidated Graded School Districts as the rate ranges from .0142 mills in district number 79 to .026 mills in district number 76. This is an indication that there are inequalities in effort shown to support schools among the Consolidated Graded School Districts, even though they have all shown that they are willing to extend themselves in order to provide education for the children.

A comparison of tax rates in column two table 26 shows that there were thirteen One Room School Districts in 1934 that did not levy their maximum limit of .014 mills. Column one in the same table shows that

Table 26

Tax Rates for School Purposed in the One Room School Districts
in McLean County for 1930 and 1934^a

District	1930	1934
2	.0044	.01029
3	.0062	.015
5	.0134	.010
6	.0075	.011
9	.0092	.0113
10	.0065	.014
11	.014	.018
21	.000	.014
22	.014	.01674
24	.007	.0162
26	.000	.011

Table 26 (Continued)

District	1930	1934
27	.014	.005
28	.0061	.015
31	.0023	.018
36	.018	.000
38	.0047	.015
39	.000	.0137
40	.014	.021
44	.0122	.0163
46	.014	.0085
47	.0072	.0175
48	.014	.0153
52	.0076	.021
53	.014	.018
54	.0116	.018
57	.0033	.0181
58	.0083	.018
59	.016	.007
60	.014	.018
63	.000	.0151
65	.000	.018
66	.014	.00183
68	.000	.000
69	.0084	.01735
70	.010	.011
71	.006	.018
74	.014	.018
75	.0046	.018
77	.0125	.0173
78	.014	.0232
80	.000	.018
81	.014	.0179
82	.000	.014
83	.0077	.006
84	.012	.016
85	.014	.020
86	.014	.018
87	.014	.01380
88	.014	.025

^aCounty Superintendent's Annual Report, 1930, 1934.

in 1930 there were thirty-two districts that did not levy the maximum of .014 mills. In 1934 there were three districts that levied

Effort Based on Per Pupil Expenditures

School districts may be compared in effort to support schools on the basis of the amounts expended per pupil. Table 27 shows a spread of \$83.98 in expenditure per pupil between the districts that

Table 27

Total Expenditures, Total Enrollment, Total Expenditure Per Pupil
in High School Districts in McLean County, 1934^a

District	Total Expended	Total Enrollment	Amount Expended Per Pupil
1 <i>W. 12-13</i>	20,364.84	336	60.60
4	11,612.36	267	43.11
7 <i>undivided</i>	17,257.92	140	123.27
8	15,025.99	272	55.24
50	12,968.63	208	62.34
51 <i>you</i>	18,497.57	433	42.71
56 <i>man</i>	5,932.64	99	59.92
62 <i>B. 12</i>	6,404.31	163	39.29
72 <i>2</i>	10,625.54	208	51.01

^aCounty Superintendent's Annual Report, 1934

have the highest and lowest expenditures per pupil. District number 62 spent \$39.29 per pupil and district number seven spent \$123.27 per pupil. Comparisons between other districts can be made in similar manner. District number one spent about three times as much for education as did district number fifty six, yet on the basis of enrollment they spent about the same per pupil. The school expenditures of District number seven was almost three times as great as the school expenditures of District number sixty two. At the same time the per pupil expenditure of District number seven was about three times the per pupil expenditures of District number sixty two. The average per pupil expenditure for

the High School District was \$59.72.

The range in expenditures per pupil is not as great among the Consolidated Grade School Districts. The last column in Table 28 shows the range to be \$51.29 per pupil. District number seventy nine spent the least per pupil and District number sixty seven spent the

Table 28

Total Expenditures, Total Enrollment, Total Expended Per Pupil in
the Consolidated Graded School Districts in

McLean County, 1934 ^a

District	Total Expenditures	Total Enrollment	Expenditure Per Pupil
64	2,864.18	51	56.25
67	9,293.14	114	81.51
73	1,752.86	58	30.22
76	5,042.60	81	62.25
79	8,182.60	163	50.20

^a County Superintendent Annual Report, 1934.

the most per pupil. The average per pupil expended for the Consolidated Graded Districts was \$56.08. It is interesting to point out at this time that the district with the highest enrollment has the lowest per pupil expenditures, while the district with the next highest enrollment had the highest per pupil expenditures.

In the One Room School Districts we find the greatest range in expenditures per pupil (Table 29). The range in per pupil expenditure is from \$11.27 in District number seventy eight to \$215.36 in District number eighty seven. This is a range of \$204.09 per pupil. District number eighty seven spent eighteen times as much per pupil as did District number seventy eight. The average per pupil expenditure in

Table 29

Total Expenditures, Total Enrollment, and Total Expended Per Pupil in
the One Room School Districts in McLean County, 1934^a

District	Total Expenditures	Total Enrollment	Amount Expended Per Pupil
2	\$1,413.93	24	\$58.91
3	1,637.00	18	90.94
5	1,799.18	27	66.64
6	1,814.06	39	62.20
9	2,290.85	49	46.75
10	3,965.62	40	99.14
11	3,214.23	62	51.84
21	2,563.05	29	88.36
22	1,646.38	35	47.03
24	2,486.56	29	85.74
26	2,295.91	48	47.83
27	1,220.74	20	61.03
28	2,522.53	70	36.03
31	3,345.62	37	90.42
36	1,797.23	50	35.94
38	1,966.69	49	40.13
39	1,997.40	25	70.09
40	2,188.49	71	30.82
44	1,719.84	60	28.66
46	2,841.81	38	74.78
47	3,524.40	83	42.46
48	3,953.05	50	79.06
52	3,715.60	66	56.29
53	3,304.16	53	62.34
54	2,337.22	42	55.64
57	2,710.42	43	63.03
58	2,376.44	37	64.22
59	2,453.18	22	111.50
60	1,744.41	29	60.12
63	2,210.89	36	61.13
65	2,114.35	34	62.18
66	891.58	33	27.01
68	1,459.86	23	63.47
69	4,493.94	55	81.70
70	4,174.14	50	83.48
71	706.98	22	32.17
74	3,270.98	56	58.41
75	2,272.60	70	32.46
77	1,924.43	50	38.48
78	541.29	48	11.27

Table 29 (Continued)

District	Total Expenditures	Total Enrollment	Amount Expended Per Pupil
80	\$1,793.25	33	\$54.34
81	3,331.70	40	83.29
82	1,177.81	15	78.52
83	1,573.60	26	60.52
84	1,329.01	21	63.28
85	1,317.92	15	87.19
86	810.96	15	54.06
87	4,092.03	19	215.36
88	1,053.43	20	52.67

^aCounty Superintendent's Report, 1934.

The One Room School Districts was \$57.80.

The range in per pupil expenditure for McLean County is from \$215.36 in District number eighty-seven to \$11.27 in District number seventy-nine. This range shows that unusual inequalities exist in per pupil expenditures in the county. It is important to note that the two extremes in expenditures are found in the One Room School Districts.

Relationship of Expenditure Per Pupil to Taxable

Valuation Per Pupil

For this comparison, the basis is the rank of each district in taxable valuation per child and expenditure per child. Figure F shows that District number seven ranks first in the taxable valuation per child as well as first in the expenditure per child. The correlation of the two rankings is perfect for this district. The fact that the district has the same rank in both shows that it puts forth an effort to support its schools somewhat in accordance with its rank in ability. District number sixty-two ranks second in taxable valuation per child and fourth in expenditure per child. District number sixty-two ranks ninth in

Figure F

Rank of High School Districts in McLean County in

Wealth Per Pupil, Expenditures Per Pupil

1934

Rank 1

2

3

4

5

6

7

8

9

10

1 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Districts by numbers

Key—Red—wealth per pupil, Black—expenditures per pupil

taxable valuation per child and also ninth in expenditure per child. Only two of the districts show the same rank in the taxable valuation per pupil and expenditure per pupil. These rankings are only a rough indication of a district's effort to support. A district may rank first in amounts expended per pupil and yet it may not be showing the greatest effort to support, because it may not be levying according to its ability.

Using the rank of a district in the two items as an index to a districts effort to support we find that districts number 4, 51, and 56 do not support schools in accordance with their rank in ability, for they rank higher in ability but low in expenditure per pupil. Districts number one, eight, fifty, and seventy two, support beyond their rank in ability, because they rank high in expenditure per pupil and low in taxable valuation per pupil.

Figure G shows the ranking of the Consolidated Graded School Districts on the basis of taxable valuation per pupil. Three of the districts show the same rank in wealth and expenditure per pupil, which would be taken to mean that they put forth an effort to support schools equal to their ability to support schools.

Table 30

Rank in Taxable Valuation Per Pupil, Rank in Expenditure Per Pupil of the One Room School Districts in McLean County, 1934

District	Rank in Taxable Valuation Per Pupil	Rank in Expenditure Per Pupil
2	8	28
3	1	4
5	26	16
6	4	22

Figure C

Rank of Consolidated Graded School Districts
in McLean County in Wealth Per Pupil,
Expenditures Per Pupil, 1934

Consolidated Graded
School Districts with
two Years of High School

Consolidated Graded
School Districts with
Elementary School

Rank

1

2

3

4

5

6

67 76 79

Districts by numbers

64 73

Key---Red-wealth per pupil, Black-expenditures per pupil

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

Table 30 (Continued)

District	Rank in Taxable Valuation Per Pupil	Rank in Expenditure Per Pupil
9	13	38
10	12	3
11	31	35
21	15	6
22	32	37
24	23	8
26	39	36
27	9	25
28	42	42
31	22	5
36	35	43
38	30	40
39	7	12
40	43	46
44	34	47
46	24	15
47	46	39
48	33	13
52	41	30
53	25	21
54	36	31
57	21	20
58	14	17
59	3	2
60	10	27
63	17	24
65	11	23
66	47	48
68	6	18
69	16	11
70	18	9
71	38	45
74	37	29
75	40	44
77	20	41
78	49	49
80	29	32
81	28	10
82	5	14
83	2	26
84	19	19
85	44	7
86	45	33
87	27	31
88	48	34

Three of the One Room School Districts show the same rank in taxable valuation per pupil and expenditures per pupil. (Table 30). Twenty-two of the districts have a higher rank in expenditures per pupil than in taxable valuation per pupil. Twenty-four of the districts have a higher rank in taxable valuation per pupil than in expenditure per pupil.

The school districts in McLean County exhibit a great effort to maintain their schools. Greater effort has been shown during 1934 than during previous years. The majority of the school districts levy beyond the rate set by law, which means that special elections have had to be held in the districts to authorize the school boards to extend the levy within the fifty per cent additional levy. When the people in a school district are willing to vote additional taxes upon themselves in order that their schools can be kept open, they are certainly doing all that they can to support education.

In spite of the great effort shown there are also great inequalities among the districts in the efforts put forth to support the schools. There are inequalities in the tax rates, and inequalities in the amount expended per pupil. When one district spends two hundred and fifteen dollars for each pupil attending school, and another district only spends eleven dollars for each pupil attending there are inequalities which should not exist.

Chapter 5

RECEIPTS AND EXPENDITURES

The main problem that has confronted most school officials, especially during the past few years, is the problem of raising enough money to properly maintain their schools. School boards have estimated expenditures and revenue for the coming fiscal period, only to find in most cases that the expenditures were far greater than the anticipated receipts. Consequently, reductions had to be made in the expenditures, in order, that their budgets would balance. The relationship between these two factors, receipts and expenditures, is therefore an important factor to notice in a financial survey of school districts. We will examine each one separately. The receipts, or source of revenue, for the schools of McLean County will be considered first.

Source of Revenue

It was pointed out in Chapter III that there were great inequalities existing among school districts in their per pupil abilities to support schools. These inequalities in ability to support education may also mean inequalities in revenue for the schools, since about ninety per cent of the revenue of school districts in McLean County comes from a local, or district tax, which is a mill levy upon the taxable valuation of the property within each district. It was noted in a previous chapter that there were inequalities in effort to support education. One measure of this effort was the tax rate for school purposes. A district which levied the legal limit was showing great effort, while

a district that did not levy as much was not putting forth as great effort. Since inequalities in ability to support education and since inequalities in effort shown by districts to support education exists, the implication is that inequalities in revenue for school districts also exists.

The source of revenue for school districts in McLean County in 1934 was (1) Local district tax, (2) State apportionment, (3) State Aid, (4) County tuition fund, (5) Tuition from other districts, (6) Federal Aid, (7) sale of certificates and bonds, and (8) other minor revenue and non-revenue sources.

The standard accounting form used by all school boards in North Dakota has two main divisions; the receipts in the general fund and the expenditures of the general fund. Into the General Fund go all receipts for the current expenditures of the school districts. In this study, receipts in the General Fund will be considered under two main heads, namely, (1) receipts from local taxation or local sources, and (2) receipts from other than local source. This division is used in order to arrive at a basis of comparison between local support and other than local support. Under "Receipts from local sources," will be the following divisions; first, receipts from local taxes; second, other revenue and non-revenue receipts; third, receipts from sale of bonds, and certificates of indebtedness. Receipts from bonds and certificates is included as local, because the money to pay for these bonds must come from the local taxation, even though the money received from the sale of the bonds comes from outside of the districts.

Under "Receipts from other than local sources," the following divisions are used; first, receipts from state apportionment; second, receipts from state aid; third, receipts from County Tuition Fund, fourth, tuition from other districts, and fifth, Federal Aid.

Receipts from Local Source

It is clearly evident from table 31 that the district tax brings in the largest revenue for this division. The district tax consists of money received by the district from a mill levy made by the board of education of the district upon the taxable valuation of property within the district. This levy is based upon the budget of the coming fiscal period. A copy of the levy as made by the board of education for the fiscal period must be sent to the county auditor on or before July 30. The county auditor then makes the levy upon the property in the districts together with all other levies. The value of the property is determined by the local assessors. This local assessor system has been criticized for some time as being very unfair and unjust. As tax collections are made the county treasurer at stated periods turns the money over to the district treasurer.

School boards can not go beyond certain rates in their levies for the General Fund. The limitations set by law are as follows: One Room School Districts, not over fourteen mills; Consolidated Graded School Districts, not over sixteen mills; and High School Districts, not over eighteen mills, upon the taxable valuation of property in the district.¹

¹State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Section 402, p. 143.

The above rates though may be raised fifty per cent by a sixty per cent vote of the voters at a regular or special election.²

Table 31 shows that receipts from the sale of bonds and certificates were next in amounts to that received from the district tax. Other revenue and non-revenue receipts prove to be a rather minor item.

Table 31

Receipts from Local Sources for High School Districts in McLean County for the years 1933 and 1934 ^a

District	Local Taxes	Other Revenue And Non-Revenue	Bonds and Certificates	Totals
<u>1933</u>				
1	\$6,949.10	\$ 743.38	\$ 8,000	\$ 15,683.38
4	8,334.82	28.27		8,363.09
7	2,770.31	373.56	5,000	9,114.67
8	4,486.39	580.16	4,000	9,066.55
50	4,212.00	349.06		4,561.06
51	8,896.64	482.42	5,000	14,379.06
56	3,678.38	204.63		3,883.01
62	2,026.69	203.73		2,230.42
72	<u>5,077.81</u>	<u>453.18</u>		<u>5,530.99</u>
Totals:	46,432.14	3,409.19	23,000	72,812.23
<u>1934</u>				
1	7,941.13	3,266.93	6,800	18,008.06
4	7,200.00	515.41		7,715.41
7	8,843.51	259.28	7,600	16,702.79
8	9,028.42	340.52		9,669.14
50	6,735.95	456.34		7,192.29
51	16,571.51	375.05		16,946.56
56	3,806.97	683.20	1,000	5,490.17
62	2,920.48	166.14		3,086.62
72	<u>5,919.61</u>	<u>56.70</u>	<u>2,300</u>	<u>8,276.31</u>
Totals:	68,967.78	6,419.57	17,700	93,087.35

^aCounty Superintendent, Annual Reports, 1933 and 1934.

² State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 410, p. 147.

A comparison of receipts from taxes for the two years show an increase for the year 1934. There is no valuable increase in the tax rate for the year over that of 1933, so the increase in receipts for local taxation is primarily due to payments of delinquent taxes. Many Federal Loans were made during the year, and one condition of the loan was that delinquent taxes had to be paid.

The amount of delinquent taxes ran very high in McLean County for the year 1933. (Table 32)

Table 32

Amount of Tax Levy, Receipts from Tax Levy, Amount of Delinquent Taxes for the Year 1933 in the High School Districts in McLean County ^a

District	Tax Levy	Receipts from Tax Levy	Delinquent Taxes	
			Amount	Per Cent
1	\$ 9,075.60	\$ 6,949.10	\$ 2,126.50	23
4	9,746.94	8,334.82	1,412.12	14
7	10,226.79	2,770.31	7,456.48	72
8	9,047.18	4,486.39	4,560.79	15
50	5,677.81	4,212.00	1,465.81	27
51	12,374.39	8,896.64	9,477.75	51
56	4,635.18	3,678.38	956.80	20
62	3,728.71	3,026.69	1,702.02	45
72	5,145.29	5,077.81	67.48	1

Average Tax Delinquency: 29%

^aRecords in County Auditors Office.

The variations among the districts in the amounts of uncollected taxes is quite evident. District number seven has a tax delinquency of seventy-two per cent while district number seventy-two has a tax delinquency of only one per cent.

Variations in tax payments from year to year, because of tax delinquency is not conducive to a successful financial management of

the school districts.

Table 33 shows a similar condition in the Consolidated Graded Districts. There is a variation of over two thousand dollars in receipts between the two years. Total receipts in 1934 was \$13,431.16. And in 1933 the total receipts were \$11,059.15.

Table 33

Receipts from Local Sources in Consolidated Graded Districts in McLean County for the Years 1932-33 and 1933-34^a

District	Local Taxes	Other Revenue And Non-Revenue	Bonds And Certificates	Totals
<u>1933</u>				
64	\$365.15	\$662.00		\$1,527.15
67	5,105.03	141.16		5,246.19
73	945.44	52.40		997.84
76	1,835.55	38.45		1,874.00
79	284.20	1,129.77		1,413.97
			Totals:	\$11,059.15
<u>1934</u>				
64	1,405.13	115.00	1,100	2,600.13
67	2,796.07	2,693.82	500	5,989.89
73	1,027.67	41.69		1,069.36
76	3,643.64	4.84		3,648.48
79		103.30		103.30
			Totals:	\$13,431.16

^aCounty Superintendent's Annual Report, 1933 and 1934.

District number sixty-eight a One Room School District received nothing from local taxes in 1934. (Table 35). The reason is, that no levy was made.

Table 34

Receipts from Local Sources for the One Room School Districts in
McLean County for the Year 1933-34^a

District No.	Local Taxes	Other Revenue And Non-Revenue	Bonds and Certificates	Total
2	\$ 871.34		\$ 500	\$1,371.34
3	1,692.56		41.27	1,733.83
5	138.55	\$41.27		170.17
6	1,329.31	243.99		1,573.30
9	2,164.13	57.87		2,222.00
10	4,068.39	84.52		4,152.91
11	2,842.05	3.30		2,845.35
21	1,837.89	5.96	500	2,343.85
22	1,449.10	3.35		1,452.45
24	1,298.95	5.58	800	2,104.53
26	1,832.98	42.73		1,875.71
27	660.05	1.48		661.53
28	2,359.11	36.06		2,395.17
31	1,706.57	474.32	1,100	3,280.89
36	143.65	325.23		468.88
38	1,896.06	3.71		1,899.77
39	1,487.04			1,487.04
40	1,987.09	398.39		2,385.48
44	183.92	126.67		310.68
46	1,900.04	10.73		1,910.77
47	2,486.76	470.89		2,957.65
48	1,139.91	22.84	2,200	3,362.75
52	2,268.32	35.43	900	3,203.80
53	2,514.72	117.14		2,431.86
54	2,053.50	53.19		2,106.69
57	1,705.30	375.88		2,081.18
58	1,693.73	1.22		1,699.95
59	321.26	1,020.41		1,341.67
60	1,000.00	15.88		1,015.88
63	1,840.31	17.19		1,857.50
65	1,634.07	919.30		2,553.37
66	774.40	22.09	1,800	2,596.49
68		189.06		189.06
69	3,461.92	105.12		3,567.04
70	3,408.19	467.60		3,875.69
71	538.38			538.38
74	259.29	694.44		953.73
75	1,496.50	471.75		1,968.25
77	1,309.18	7.34		1,316.52
78	163.43	105.18		268.61

^aCounty Superintendent's Annual Report, 1930;

Table 34 (Continued)

District	Local Taxes	Other Revenue And Non-Revenue	Bonds and Certificates	Total
80	\$1,165.60	\$16.20	\$250	\$1,431.80
81	1,771.96	49.62	1,000	2,821.58
82	1,020.73	20.48		1,041.21
83	2,302.61	45.54		2,348.15
84	1,385.90	20.37		1,406.27
85	288.40	1.96	700	990.36
86	270.16	213.36		483.53
87	817.45	28.31		845.76
88	<u>150.52</u>	<u>249.62</u>		<u>400.14</u>
Totals:	70,876.28	7,654.54	9,750.00	88,280.82

The largest source of revenue for school districts in McLean County is the local district tax. Because of the tax delinquencies which causes variations in tax payments each year, financial management of the school districts becomes a difficult problem.

The largest revenue for the One Room School Districts was from state apportionment. The only source of revenue was county tuition. There was no state aid for the year 1934, neither were there any tuition receipts from other districts. The One Room School Districts do not maintain high schools.

Receipts Other than Local Sources

State Apportionment

The state apportionment or state tuition fund is made up from (1) fines and penalties arising from violations of the state laws; (2) proceeds from the leasing of school lands, and (3) interest and income from the state permanent school fund. The state apportionment fund is apportioned among the several counties by the Superintendent of Public Instruction in proportion to the number of children of school

age residing in each according to the census enumeration, and the County Superintendents further apportion it among the several districts on the same basis.³

State Aid

The state aid fund consists of appropriations by the state legislature, and is apportioned annually among the school districts by the Superintendent of Public Instruction according to the classification of the schools in the districts. The amounts each class of school is to receive is given below.

Graded Schools of the First Class.....	\$100.00
Graded Schools of the Second Class.....	75.00
Graded Schools of the Third Class.....	50.00

Rural One Room Schools of the First Class.....	\$100.00
Rural One Room Schools of the Second Class.....	80.00
Rural One Room Schools of the Third Class.....	60.00

Provided also, that if tax rate the previous year is four mills or less than seven, the above amounts shall be doubled for each class of school, and if the tax rate for the preceding year is seven mills or greater these amounts shall be trebled.⁴

Consolidated Schools of the First Class.....	\$300.00
Consolidated Schools of the Second Class.....	250.00
Consolidated Schools of the Third Class.....	200.00

Provided also, that in any district where the tax levy the preceding year is four mills and less than seven each school shall receive double the above amounts, and where the tax rate is seven mills or more each school shall receive treble the amount.⁵

³State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 270, p. 133

⁴Ibid., Section 270, pp. 101-120

⁵Ibid., Section 371, p. 102.

High Schools of the First Class.....	\$800.00
High Schools of the Second Class.....	500.00
High Schools of the Third Class.....	300.00

If the appropriation for any year is not enough to meet the figures the total amount is prorated among the various schools.

The legislature in 1933 failed to make an appropriation for the fund, thus putting it out of operation.

County Tuition Fund

The receipts for the county tuition fund are obtained from three sources, (1) county school poll tax,⁷ (2) the county tax of one-half mill,⁸ (3) a tax of one mill in aid of rural, graded, and consolidated schools. The last is established when ten per cent of the voters, who voted for governor during the last election, petition the county commissioners at least forty days prior to a general election asking that a tax be so levied. If a majority of the people voting are in favor of it the levy is established.⁹ The county tuition fund is apportioned among the districts by the county superintendent according to the school census.

Tuition From Other Districts

Students residing in districts that do not maintain high schools may attend high school in districts maintaining high schools. Previous to the passing of the equalization law in 1935, districts in which the students resided paid the tuition to such high school district. The

⁷State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 386, p. 137.

⁸Ibid., Section 386, p. 137.

⁹Ibid., Section 389, p. 138.

equalization law provides for the payment of such tuition, not by the district, but by the equalization fund. Such tuition payment shall be in the sum of one dollar and fifty cents per week of actual attendance for each non-resident high school student.¹⁰

Federal Aid

This is generally in the form of aid for vocational courses. In 1934, federal aid to schools in McLean County consisted mainly of aid to districts to help pay teacher's salaries. In 1934 the total federal aid to McLean County schools was \$5,566.50 divided as follows:

High School Districts

District number 8.....	\$1,145.00
District number 50.....	2,010.00
	<u>3,155.00</u>

Consolidated Graded Districts

District number 73.....	\$360.00
District number 76.....	600.00
	<u>960.00</u>

One Room Districts

District number 48.....	\$440.00
District number 52.....	192.00
District number 53.....	400.00
District number 66.....	90.00
District number 71.....	49.50
District number 81.....	120.00
District number 85.....	110.00
District number 88.....	50.00
	<u>1,451.00</u>

Tables 35, 36, and 37 which were prepared from data obtained in the County Superintendent's office shows the amount received from the

¹⁰ State of North Dakota, General School Laws, 1935, Arthur E. Thompson, Superintendent, Section 32, pp. 28-29.

various sources for each district.

Table 33

Amounts Received by High School Districts in McLean County For The
Years 1933 and 1934, from State Apportionment, State Aid, County
Tuition Fund, and Tuition From Other Districts. ^a

District	State Apportionment	State Aid	County Tuition Fund	Tuition From Other Districts	Totals
1933					
1	\$1,017.96	\$ 306.00	\$487.56	\$2,008.87	\$3,820.39
4	683.63	489.00	327.43	2,032.00	3,532.06
7	420.84	325.80	199.57	504.00	1,450.21
8	675.36	306.00	320.26	2,077.62	3,379.24
50	594.72	325.80	282.02	2,058.00	3,160.54
51	1,017.84	329.80	767.19	1,919.20	4,634.03
56	200.60	325.80	89.50	973.00	1,587.90
62	487.80	108.60	227.05	1,180.00	1,994.45
72	<u>524.16</u>	<u>306.00</u>	<u>243.51</u>	<u>1,959.82</u>	<u>3,043.49</u>
Totals:	6,213.91	2,822.00	2,948.09	14,722.51	26,607.31
1934					
1	1,267.68		825.66	2,566.70	4,660.04
4	7717.76	581.25	532.62	2,664.09	4,492.72
7	468.94		302.94	516.71	1,288.59
8	726.40	469.26	469.26	3,065.38	
50	606.87		392.04	1,695.75	
51	1,924.82		1,243.44	891.46	5,059.72
56	491.84		296.05		787.89
62	487.34		314.82	2,199.33	2,993.49
72	<u>582.20</u>		<u>376.20</u>	<u>2,260.02</u>	<u>3,118.57</u>
Totals:	7,274.00	581.25	4,753.03	15,851.44	28,356.72

^aCounty Superintendent's Annual Report, 1934.

The largest source of revenue for High School Districts for both years was from tuition from other districts. (Table 36). Receipts from state apportionment was next, county tuition third, and state aid fourth. One will notice that there were no receipts from the State Aid

Fund in 1934, with the exception of district number four, which received a special aid to match federal funds for vocational courses. As was previously pointed out there were no appropriations made by the 1933 legislature for this fund.

It is important to note, that the receipts from all of the other sources remain about the same for the two years. There are variations among the districts in the amounts received by each. This of course is due primarily to the fact that apportionment of the various funds is made on a per pupil basis.

Table 36

Amounts Received by Consolidated Graded Districts in McLean County for 1933 and 1934 from the State Apportionment, State Aid,

County Tuition Fund And Tuition From Other Districts

District	State Apportion- ment	State Aid	County Tuition Fund	Tuition From Other Districts	Totals
1933					
64	\$ 245.67		\$ 102.77		\$ 348.44
67	289.80	\$ 217.20	137.43	\$ 119.34	763.77
73	234.36	217.20	111.14		562.70
76	564.60	271.50	125.48		961.58
79	<u>325.18</u>	<u>28.96</u>	<u>154.16</u>	<u>3,142.75</u>	<u>3,351.02</u>
Totals:	1,659.61	734.86	630.98	3,262.09	6,287.54
1934					
64	234.84		172.22		407.06
67	361.66		233.64	159.15	754.45
73	315.70		203.94		519.64
76	349.41		225.72	368.72	943.85
79	<u>392.32</u>		<u>253.44</u>	<u>5,295.19</u>	<u>5,940.95</u>
Totals:	1,703.93		1,092.96	5,822.72	8,674.61

Receipts from tuition from other districts is the largest item for the Consolidated Graded Group.

Table 37

Amounts Received By One Room Districts in McLean County in 1934,
From the State Apportionment, and County Tuition Fund. ^a

District	State Apportionment	County Tuition Fund	Totals
2	\$ 104.20	\$ 67.32	\$ 171.52
3	144.05	95.06	237.11
5	116.47	75.24	191.71
6	171.64	110.88	282.52
9	180.84	116.82	297.66
10	203.21	113.85	317.06
11	418.17	199.98	618.15
21	190.03	122.76	312.79
22	199.22	128.70	327.92
24	123.10	124.74	247.84
26	265.55	138.60	404.15
27	122.60	79.20	201.80
28	312.63	201.96	514.59
31	98.08	63.36	161.44
36	173.74	109.35	283.09
38	193.09	124.74	317.83
39	183.01	100.98	283.99
40	306.50	198.00	504.50
44	103.88	282.61	392.49
46	199.25	128.70	327.95
47	412.96	273.24	686.20
48	236.01	152.46	388.47
52	349.40	225.72	575.12
53	259.16	174.24	433.40
54	183.90	118.80	302.70
57	214.55	138.60	353.15
58	260.67	142.56	403.23
59	200.50	122.76	323.26
60	160.88	101.25	262.13
63	220.68	142.56	363.24
65	294.26	182.81	477.07
66	113.41	73.26	186.67
68	174.71	112.86	287.57
69	220.68	142.56	363.24
70	217.62	140.58	358.20
71	67.42	43.56	110.98
74	232.34	150.48	383.42

Table 37 Continued

District	State Apportionment	County Tuition Fund	Totals
75	\$ 303.44	\$ 196.02	\$ 499.46
77	363.59	170.28	533.87
76	128.73	83.16	211.89
80	159.38	102.96	262.34
21	142.56	220.68	363.24
82	58.24	37.62	95.86
83	183.90	118.80	302.70
84	131.20	85.14	216.94
85	76.63	49.50	126.13
86	94.06	58.65	152.71
87	106.40	69.30	175.70
88	<u>124.64</u>	<u>81.18</u>	<u>205.82</u>
	9,502.36	6,299.14	15,801.50

Comparison between Receipts from Local Sources and Receipts
from Other than Local Sources

About twenty per cent of the total receipts by school districts in 1934 was from other than local sources. If we include tuition from other districts as receipts from local sources, as we might easily do, because the tuition is raised by local districts and paid to other districts, the combined per cent of state and county aid would be about ten per cent.

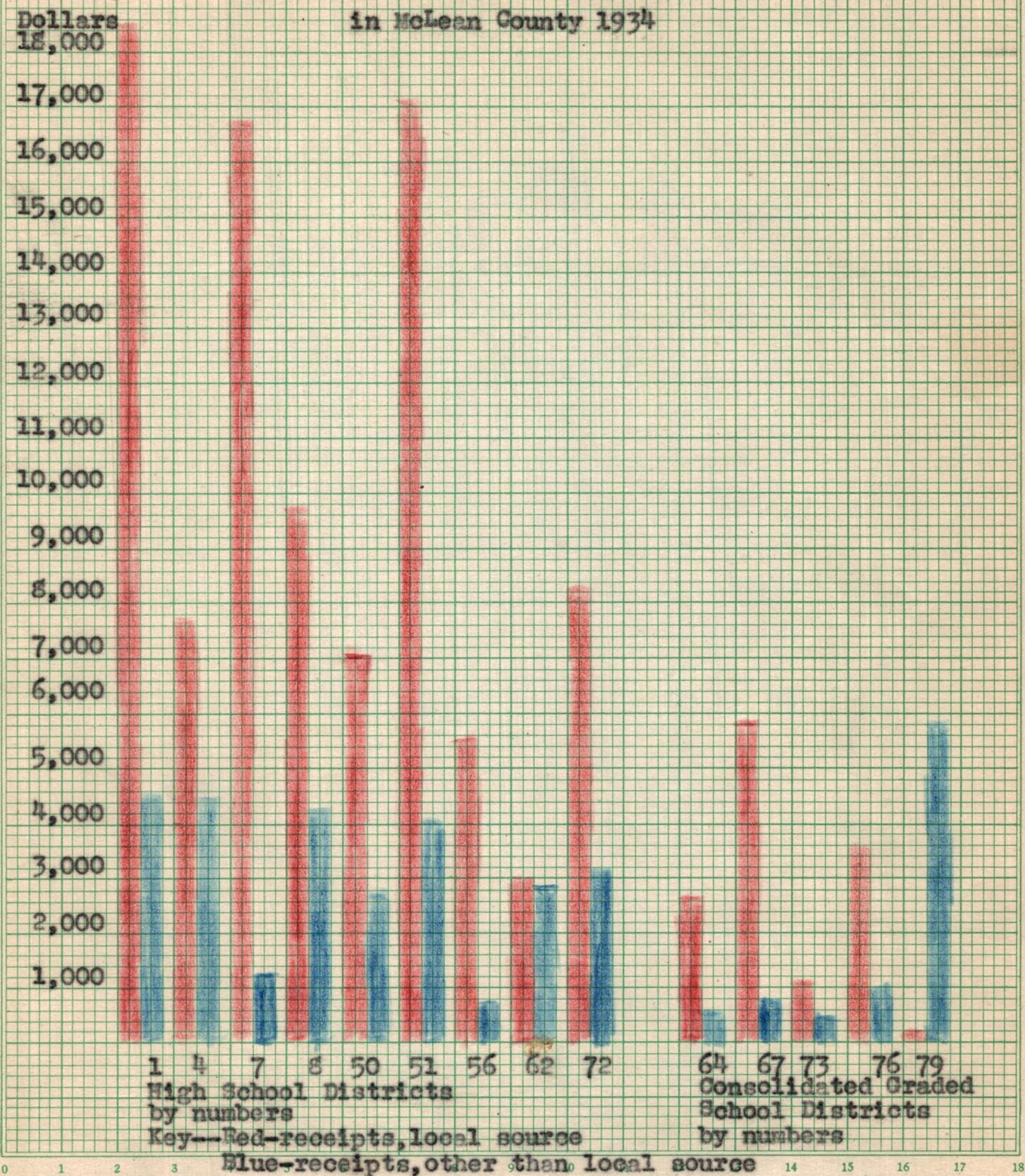
The relationship between receipts from local sources and receipts from other than local sources for the year 1934 for the High School Districts, and Consolidated Graded Districts is shown in Figure H.

All districts, except District Number seventy-nine show receipts from local taxation to be much higher than that received from other sources. District Number seventy-nine is unique in this respect, because the

Figure H

Receipts from Local Source, Other than Local Source
for Other than One Room School Districts

in McLean County 1934



majority of pupils in the district are Indian children, and the Federal Government pays tuition to the district for these students.

Figure I shows the relationships between receipts from local sources and receipts from other than local sources in several One Room School Districts in McLean County for the year 1934.

Receipts from other than local sources are for the most part the same for all districts, while receipts from local sources show great variations.

The general inference seems to be that revenue from the state is of a more stable nature. It does not fluctuate or vary a great deal among districts. Nor does it vary greatly from one year to another. Receipts from local sources are not as stable. Variations in receipts from local taxes are due in a certain extent to variations in property values, and tax delinquency indications are that there should be a change to state support with local aid, instead of local support with state aid. The North Dakota Government Survey Commission of 1932 made the recommendation that school support be changed from one of local support with state aid to one of state support with local aid.¹¹ One step in this direction was made by the 1935 legislature, when it passed the State Equalization Fund law.

State Equalization Fund

The State Equalization Fund was established by the State Legislature in 1935. The main provisions are as follows, (1) The first \$500,000 shall be distributed to the elementary schools on the basis

¹¹Report of North Dakota Governmental Survey Commission, 1932, pp. 77-78.

Figure I
 Receipts from Local Source, Other than Local Source
 for Several One Room School Districts in
 McLean County 1934

Dollars
 4,200

3,900

3,600

3,300

3,000

2,700

2,400

2,100

1,800

1,500

1,200

900

600

300

2 3 5 6 10 11 21 22 24 26 27 28 31 36 38

Districts by numbers

Key--Red--Receipts from local source

Blue--receipts from other than local source

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

of need. The basis of need is to be determined by the State Superintendent of Public Instruction, (2) the fund shall pay to High School Districts the sum of one dollar and fifty cents per week for each non-resident high school student in attendance at such school; (3) forty thousand dollars shall be paid for high school correspondence work; (4) the remainder of the fund shall be divided among the districts on a teacher unit basis of \$175.00 per grade school teacher-unit and \$150.00 per high school teacher-unit per year. (Teacher-unit has been interpreted to mean per teacher.) Should the balance in the fund be insufficient to make payment in full to the districts on this basis the balance shall be prorated among the districts. During the year 1935-36 the prorating was on the basis of three dollars per week per high school teacher unit, and three dollars and fifty cents per grade teacher unit of \$108.00 for the year for each high school teacher unit, and \$126.00 for the year for each grade teacher unit.

The revenue for the fund comes from the Sales Tax Act passed by the 1935 legislature. This was referred to a vote of the people on July 15, 1935, and upheld by them. Should the Sales Tax Act be repealed, or the income from it be diverted into other channels, the equalization fund would have nothing upon which to draw its revenue.

In order to get the Fund to function at once, the 1935 legislature provided for a transfer of \$1,038,865.41 from the Hail Fund Surplus to the fund and also the transfer of \$100,000 balance from 1933

appropriations. It was estimated that the Sales Tax would yield two million dollars per year. The collections for the first period were greater than the anticipated revenue.

Table 33 shows the distribution to the High School Districts from the State Equalization fund, for the year 1935-36.

Table 33

Amounts Received by High School Districts in 1936 from State

Equalization Fund on the Basis of Need, Per Teacher Unit, Tuition. ^a

District	Basis of Need	Per Teacher Unit	Tuition	Totals
1	\$2,800	\$1,792.00	\$2,262.00	\$6,854.00
4		1,190.00	1,549.50	2,739.50
7	1,120	1,720.00	333.00	2,173.00
8	1,120	1,080.00	2,419.50	4,619.50
50	1,120	880.00	2,793.00	4,793.00
51	432	1,566.00	2,965.00	4,531.00
56	760	1,594.00	277.00	1,831.00
62	1,400	212.00	1,051.50	3,269.50
72	640	933.00	3,234.00	4,812.00
Totals:	8,960	9,578.00	16,884.50	55,422.50

^aRecords in County Superintendent's Office.

Seven of the nine High School Districts received aid on the basis of need. In order to qualify for aid under the basis of need, a district must have levied its maximum, and maximum means without the fifty per cent levy. It must be without funds to keep its schools open. A total of \$9,578.00 was received by the districts per teacher on the unit basis. The districts received \$16,884.50 in payment of tuition for non-resident high school students. The total amount received by the High School

Districts was \$35,422.50. In 1934 the same districts received from the state \$7,855.25. In 1936 this group of districts received \$27,567.25 more from the state than in 1933-34. If the amount received in tuition from other districts is included with the amount from the state in 1934 the districts received \$11,715.81 more in 1935-36 than in 1934 or an average of \$1,501.75 more per district.

Table 39 shows the amounts received from the Equalization Fund by the Consolidated Graded Districts for the year 1936.

Table 39

Amounts Received By Consolidated Graded School Districts in 1936

From the State Equalization Fund on the Basis of Need,

Per Teacher Unit, Tuition ^a

District	Basis of Need	Per Teacher Unit	Tuition ^b	Totals
64	\$ 520.00	\$224.00	\$162.00	\$ 946.00
67	1,320.00	584.00	696.00	2,640.00
73	560.00	252.00	218.00	1,630.00
76	560.00	990.00	849.00	1,769.00
70			567.00	1,557.00
Totals:	3,040.00	2,410.50	2,438.00	8,542.50

^aTable compiled from records in the County Superintendent's Office.

^bIncludes tuition paid to other districts for high school students.

In the tuition column is included the amounts paid by the equalization fund to other districts for high school students from these districts that were in attendance in other districts. The justification for including such payment in the amounts received by these districts is that it is in reality a receipt to the district. If

the tuition were not paid out of the equalization fund, it would have to be paid by the district. In table 40 tuition payments are included in a similar manner. The Consolidated Graded Districts received a total of \$8,542.50 from the state in 1936. In 1934 they received \$1,703.92.

Figure J shows the amounts received from the State Equalization Fund by the High School, and Consolidated Graded Districts.

The One Room School Districts received \$33,302.00 from the Equalization Fund in 1936. At the same time \$16,362.00 was paid to other districts in tuition for students from the One Room School Districts. (Table 40). Figure K shows amounts received from the State Equalization Fund by the One Room Districts, also amounts paid by the Equalization Fund in tuition to other districts for students from the One Room Districts.

Table 40

Amounts Received by the One Room School Districts in 1936 From The
State Equalization Fund On the Basis of Need, Per Teacher
Unit, Amounts Paid Other Districts in Tuition ^a

District	Basis of Need	Per Teacher Unit	Paid for Tuition	Totals ^b
2				
2		\$196.00	\$54.00	\$196.00
3	\$336.00	336.00	324.00	336.00
5	560.00	224.00	270.00	784.00
6	440.00	336.00	216.00	776.00
9	320.00	448.00	162.00	768.00
10	320.00	448.00	540.00	768.00
11	1,400.00	560.00	810.00	1,960.00
21	360.00	284.00	432.00	644.00
22		284.00	108.00	284.00
24	480.00	335.50	432.00	815.50

^aTable compiled from data in the County Superintendent's Office

^bDoes not include tuition paid to other districts by the fund.

Table 40

District	Basis of Need	Per Teacher Unit	Paid for Tuition	Totals
26	\$1,120.00	\$ 448.00	\$702.00	\$1,568.50
27		112.00	216.00	112.00
28	320.00	392.00	54.00	712.00
31	300.00	224.00		524.00
36		162.00	162.00	392.00
38	1,120.00	392.00	324.00	1,512.00
39	560.00	252.00	432.00	812.00
40		448.00	756.00	448.00
44		378.00	370.00	378.00
46	240.00	239.00	378.00	479.00
47	580.00	447.00	216.00	1,027.00
48		448.00	324.00	448.00
52	800.00	448.00	648.00	1,248.00
53	800.00	448.00	864.00	1,248.00
54	880.00	392.00	54.00	1,352.00
57		448.00	432.00	448.00
58	720.00	336.00	108.00	1,056.00
59		126.00	324.00	126.00
60		378.00	466.00	378.00
63	480.00	336.00	486.00	816.00
65		336.00	432.00	336.00
66	480.00	224.00	108.00	704.00
68		213.50	54.00	213.50
69		224.00	864.00	224.00
70		378.00	540.00	378.00
71	280.00	126.00	108.00	406.00
74	1,120.00	498.00	702.00	1,618.00
75	1,120.00	478.00	486.00	1,596.00
77		278.00	486.00	278.00
78	560.00	323.00	108.00	885.00
80	720.00	378.00	324.00	1,098.00
81	840.00	336.00	324.00	1,176.00
82		126.00	454.00	126.00
83		336.00	432.00	336.00
84		224.00	432.00	224.00
85	240.00	126.00	54.00	365.00
86	280.00	112.00	162.00	392.00
87		126.00	54.00	126.00
88	280.00	126.00	54.00	406.00
Totals:	17,800.00	15,502.00	16362.00	

^aTable compiled from data in the County Superintendent's Office.

^bDoes not include tuition paid to other districts by the fund

Figure J

Receipts from State Equalization Fund on the
Basis of Need, Per Teacher Unit, Tuition
for Other than One Room School Districts
in McLean County 1936

Dollars

3,400

3,200

3,000

2,800

2,600

2,400

2,200

2,000

1,800

1,600

1,400

1,200

1,000

800

600

400

200

1 4 7 8 50 51 56 62 72
High School Districts

64 67 73 76 79
Consolidated Graded
School Districts

Key---Red-basis of need, Blue-per teacher unit, Orange-tuition

Expenditures

It was pointed out in the early part of this chapter that there are two main parts to the standard accounting system as used by school boards in North Dakota, namely, Receipts in the General Fund, and the Expenditures of the General Fund. In this section we are concerned with the expenditures of the general fund. All expenditures of a School District are classified under the following divisions.

1. Gen Control
 - a. School board salary
 - b. School board expenses
2. Instructional service
 - a. Teachers' salary
 - b. Textbooks
 - c. Library books
 - d. Teaching supplies
 - e. Teachers retirement fund
3. Auxiliary Agencies
 - a. Transportation
 - b. Tuition
 - c. Health
 - d. Play
 - e. Lunches
4. Operation of Plant
 - a. Fuel
 - b. Light and Water
 - c. Janitor wages
 - d. Janitor supplies
5. Maintenance
6. Fixed Charges
7. Outlay
 - a. New sites
 - b. New buildings
 - c. New equipment
8. Debt service
9. Grand total of all warrants issued for all purposes during the year (total of 1-8)

According to records in the office of the County Superintendent of Schools there was a decrease in school expenditures of almost fifty per cent from 1930 to 1934. The total expenditures for school purposes

for each of the five years are as follows:

Year	Total School Expenditures
1929 -- 1930 --	\$512,091.94
1930 -- 1931 --	394,645.42
1931 -- 1932 --	310,903.85
1932 -- 1933 --	259,125.55
1933 -- 1934 --	270,361.44

How is the school money in McLean County spent? Table 41 shows the total expenditures for school purposes in McLean County for the year 1934.

Table 41

Expenditures for School Purposes in McLean County in 1934^a

Item	Amount Expended	Per Cent
Teachers' salaries	\$123,902.46	45.92
Debt Service	47,390.95	17.52
Transportation	20,785.04	7.69
Tuition	17,838.87	6.60
Fuel	9,332.56	3.45
School Board Salary & Expenses	8,704.04	3.21
New sites, new buildings	7,466.98	2.76
Janitor's wages	7,077.52	2.62
Maintenance	5,706.74	2.11
Fixed charges (Ins. etc.)	5,556.26	2.05
Text books	4,616.61	1.71
Janitor's supplies	3,106.00	1.15
New Equipment	2,828.22	1.05
Teaching supplies	2,259.26	.84
Light and water	2,257.70	.83
Library books	967.87	.36
Revolving Fund	312.37	.13
Total:	\$270,361.44	100.00

^aCounty Superintendent's Annual Report, 1934

Three important and necessary items in instruction are text books, teaching supplies, and library books. The expenditure for these three items was two and ninety-one hundredths per cent of the

total. It seems that this is a very small per cent of the total; when we consider the necessity of these articles in a school. A more detailed examination of the expenditure records in the County Superintendent's Office reveals the fact that for the year 1934 there were thirteen districts that did not purchase library books, and twenty-one that did not purchase teaching supplies.

Table 42 shows how conditions in the One Room Schools of McLean County were in 1934 because of the failure of the school boards to purchase necessary instructional supplies.

Table 42
Number of Schools Without requiring Teaching Teaching Equipment,
Number of Pupils Effected in McLean County in 1934^a

Required Teaching Supplies	Number of Schools Without Required Supplies	Number of Pupils Effected
Globe of the World	33	335
European Map (Up-to-date)	32	301
Case Map of North Dakota	58	670
Large Dictionary	41	473
Small Dictionary	59	652
Libraries	98	1,117
Comptons or World Book encyclopedia	89	1,087

^aCounty Superintendent's Annual Check List

This condition is not due altogether to a lack of funds, but to poor management on the part of the school boards, or lack of cooperation with the County Superintendent. Even District Number sixty-eight which made no levy in 1933-34 is represented in the above group. Teacher's salaries are, as expected the largest expenditure item. Debt service is next. The high percentage of debt service would seem to indicate

that the districts have resorted to considerable borrowing of money, against uncollected taxes, in order to maintain their schools,

The third highest amount was spent for transportation or seven and sixty-nine hundredths per cent. Of the \$20,785.04 spent for transportation by the school district, the High School, and Consolidated Graded Districts spent \$18,104.78. The transportation item then belongs primarily to these two groups of districts. They transport a total of five hundred and twenty-three students at an average annual per pupil cost of \$30.89. Table 43 shows also that there is a range in transportation cost from fifteen dollars per pupil in District Number seventy-nine which transports two pupils to \$45.67 in District number seven which transports forty-five pupils.

Table 43

Number Transported, Total Cost, Per Pupil Cost, System Used in The
High School and Consolidated Graded School Districts in
McLean County in 1934^a

District	Number Transported	Total Cost	Per Pupil Cost	System
1	9	\$311.73	\$ 34.86	Family
4	4	90.00	22.50	Family
7	45	2,005.51	45.67	Bus-Family
8	63	2,467.50	39.16	Bus-Family
50	63	1,750.50	27.78	Bus
51	122	4,059.87	35.23	Bus
56	24	1,080.00	45.00	Bus
62	2	44.84	22.42	Family
72				
64	52	1,450.05	27.28	Bus
67				
73	58	1,535.76	26.49	Bus
76	80	2,304.02	28.80	Bus
79	1	15.00	15.00	Family
Totals	523	18,104.78		

^aCounty Superintendent's Annual Report, 1934.

The fourth item of expenditure is tuition. A total of \$17,838.87 was spent. Out of this amount the One Room School Districts spent \$14,824.72. The tuition expenditures belong primarily to the One Room School Districts.

The One Room Districts spent a total of \$682.30 for Janitor's salary for the year, while the other two groups of districts spent \$6,395.22 dollars. This may be largely accounted for because in the One Room School Districts the teachers usually are required to do the janitor work.

There are very few variations in percentages expended for various school purposes in McLean County and for the state (Table 44). Percentages for the state were compiled from data in the State Superintendent's Biennial report for 1934. Percentages for McLean County were taken from compilations in Table 41.

Table 44

Per cent of Expenditures of Each Item of the General Fund for the State, and for McLean County for the Year 1934

Item	Per Cent for State	Per Cent for McLean County
Teachers' salaries	50.70	45.92
Debt Service	9.15	17.52
Transportation	6.88	7.69
Tuition	5.80	6.60
Fuel	5.76	3.45
School Board Salary and expenses	3.43	3.21
New Sites, New Buildings	1.94	2.76
Janitor Wages	3.94	2.62
Maintenance	2.97	2.11
Fixed Charges	3.02	2.05
Text Books	1.50	1.71
Janitor's Supplies	1.16	1.15
New Equipment	1.90	1.05

Table 44 (Continued)

Item	Per Cent for State	Per Cent for McLean County
Teaching Supplies	1.39	.84
Light and Water	.93	.83
Library Books	.28	.36
Revolving Fund		.13

Comparison of Two School Districts

A comparison of receipts and expenditures between two school districts in McLean County will reveal inequalities which exist in receipts and expenditures.

District Number seventy-three

District Number seventy-three will serve as an example to show how bad conditions may become. The district has thirty-six sections of land, maintains a consolidated school, with eight grades. There are two teachers and fifty-eight pupils. The taxable valuation in 1934 was \$166,266.00. A levy of sixteen mills, the legal limit without a special election should bring a revenue of \$2,659.61. The expenditures of the district were \$4,320.76 for the same year. If all taxes were paid there would still be a deficit of \$1,661.15 by the end of the year. Tax payments were only \$1,069.36 or a tax payment of only thirty-seven percent. The district received \$519.64 from other than the district tax to make a total income of \$1,589.00 for the year. The total deficit for this district for the year was \$2,480.36.

District Number Sixty-eight

The opposite situation is true in this district.

The district has thirty-six sections of land and in 1933-34 operated two one room schools, employed two teachers, and had twenty-three pupils enrolled. Their taxable valuation was \$130,622.00. Their expenditures for the year were \$1,107.72. With their legal levy limit of fourteen mills without a special election they could raise \$1,450.70, which is more than enough to meet the expenditures. Records show however that for the year no levy was made because they had a cash balance, after paying expenses for the year 1934 of \$5,028.65, or enough to run their schools for at least four years, providing expenses remained the same. Certainly equalities in educational opportunities can not exist under such conditions.

About ninety per cent of revenue for schools in McLean County comes from local sources. The revenue from district taxation fluctuates from year to year due to tax delinquencies, therefore making an efficient financial management almost impossible.

The revenue from the state did not vary much from year to year, hence, the implication might be made that state support for the schools would lead to better financial conditions.

The lack of many necessary teaching supplies under the present system would also indicate that a centralized management of the schools would tend to bring about equalities among the schools in necessary equipment.

Chapter 6

DEBT SERVICE

Quite often school boards find themselves without necessary school funds with which to meet the obligations of the district. When such a situation occurs it becomes necessary for the board to borrow money. The school boards may borrow money in order to finance the construction of new buildings or other large capital outlays. When money is borrowed for such purposes, it is generally borrowed for a long period, usually twenty years. At other times, the boards find it necessary to borrow money in order to meet the current expenses of the school. Borrowing for current expenditure is generally for a shorter period, usually one or two years. State laws make very definite provisions by which the school districts may borrow money.

There are two main methods whereby school districts in North Dakota may borrow. The first is through the sale of bonds, the second is through the sale of Certificates of Indebtedness. There is a third form known as the Registered Warrant. This^{is}/really the note of a district issued to a party who has money coming from the district. It is a promise on the part of the district to pay the holder the amount stated plus the interest when the necessary funds are available in the district treasury.

School bonds are of two main types. The single maturity bond which provides for the payment of interest annually, semi-annually,

or quarterly and the payment of the principal at the time when the bond is due. The other is the serial bond which provides for the payment of the interest and a portion of the principal each year.

Before bonds can be issued it becomes necessary to hold an election in the district to determine whether the district shall issue bonds. If two thirds of the voters at such election vote for the issuing of the bonds the district board may issue them. The law also sets the debt limit of the districts at five per cent of the assessed valuation of taxable property in the district.¹ By a majority vote of the qualified voters voting at a special election the limitation of indebtedness may be extended to an additional five per cent of the assessed valuation of taxable property, but not beyond ten per cent.² Bonds when issued shall not draw an interest rate higher than six per cent per annum, payable semi-annually. Such bonds shall run for a period of not to exceed twenty years and shall be in denominations of one hundred dollars each or some multiple thereof, not exceeding one thousand dollars.³ Bonds may be issued

"To purchase, erect, enlarge and improve school buildings and teacherages, and to acquire sites therefore and for play grounds and to furnish and equip such buildings with heat, light and ventilation or other necessary apparatus."⁴

Bonds may also be issued by the district in order to fund outstanding indebtedness. No election is required before the issuing of such bonds, as they do not increase the indebtedness of the district. Such bonds, though, can not be issued if the legal debt limit

1. State of North Dakota, General School Laws, Published by the State Department of Public Instruction, 1935, section 443, p. 164.

2. Ibid., Section 440, p. 161

3. Ibid., Section 443, p. 164

4. Ibid., Section 441, Part 4, p. 163.

of the district has been exceeded. These bonds shall not draw over
⁵
 six per cent interest per year.

When bonds are issued they must be registered with the county auditor. A tax levy for the payment of the interest and principal is authorized by the local board. The levy is made by the county auditor and the receipts kept by the county treasurer in a fund known as the interest and sinking fund. The county treasurer out of this fund pays interest and principal when ordered to do so by the county
⁶
 auditor.

The second main type of borrowing which is open to school districts in North Dakota is through the sale of certificates of indebtedness. This is a form of bond issued, "in anticipation of revenues to be derived from taxes already levied."⁷ The aggregate amount of borrowing, "shall not at any time exceed the amount of delinquent taxes which have been levied during the year in which the borrowing is made, plus uncollected taxes remaining upon the tax lists of four preceding years, exclusive of levies for the purpose of retiring bond issues and the interest thereon."⁸ Certificates of Indebtedness shall not be issued for a longer period than two years, shall draw interest at the rate not to exceed seven per cent per annum, which may be paid semi-annually.⁹ When Certificates of Indebtedness have been issued, "it shall be the duty of the county

⁵State of North Dakota, General School Laws, Published by the State of North Dakota, 1935, Section 4-66-467-469-470, pp. 176-179.

⁶Ibid., Section 427, p. 156

⁷Ibid., Section 420, p. 152

⁸Ibid., Section 420, p. 152

⁹Ibid., Section 420, p. 152

auditor to set aside all taxes collected from levies for the respective years against which certificates of indebtedness have been issued, except those for interest and sinking fund, thereafter accruing to the credit of such district, and the same shall be had by the county treasurer in a special fund to be used only for the purpose of retiring such certificates of indebtedness and paying interest thereon until enough funds shall have been accumulated from the collection of levies of any year or years against which certificates of indebtedness have been issued to retire the certificates of that year. In the event sufficient taxes are not collected from such levies to retire such certificates, both principal and interest, within two months after their due date, then there shall be set aside from current tax collections not less than ten per cent nor more than thirty per cent of the amount of such collections until such past due certificates have been paid.¹⁰

In case the district which advertises for bids on sale of certificates of indebtedness fail to receive buyers, they may issue registered warrants "in payment of current expenses, in excess of cash on hand, but not in excess of taxes levies but uncollected and not otherwise encumbered, and the funds derived from the collection thereof shall constitute a special fund and the exclusive source of revenue for the payment of such warrants."¹¹ Such warrants are to draw not more than seven per cent interest.¹²

¹⁰State of North Dakota, General School Laws, Published by the State Department of Public Instruction, Section 424, p. 154.

¹¹Ibid., Section 432, p. 157.

¹²Ibid., Section 106, p. 50.

The total indebtedness of each school district in McLean county can be found by adding the total amount of bonds outstanding. The total amounts of certificates of indebtedness outstanding and the total amount of warrants outstanding at the close of any fiscal period. We must note that the total bonded indebtedness is not the same as the total indebtedness. The total indebtedness includes the amounts of the total bonds, total certificates of indebtedness, and total warrants outstanding. Table 45 gives the indebtedness of all school districts in McLean county for the fiscal period ending June 30, 1934.

Table 45

Bonds, Certificates of Indebtedness, Warrants and Total Indebtedness
Of School Districts in McLean County, June 30, 1934^a

District	Bonds	Certificates of Indebtedness	Warrants	Total
High School Districts				
1	\$41,300	\$1,500.00		\$42,800.00
4	65,000		\$ 248.20	65,248.20
7	19,000	3,000.00	1,891.81	23,991.81
8	68,300	4,000.00	955.48	73,255.48
50	49,900	3,000.00	4,290.97	57,190.97
51	45,000	5,000.00	162.50	50,162.50
56	4,500	1,000.00		5,500.00
62	9,000	2,000.00		11,000.00
72	25,000		1,034.97	26,034.00
Consolidated Graded School Districts				
64	3,100		4,075.54	8,375.54
67		500.00		500.00
73	1,000	5,006.00	5,247.99	10,253.99
76	14,000		4,747.13	18,747.13
79				

^aCounty Superintendent's Annual Report, 1934

Table 45 (Continued)

District	Bonds	Certificate of Indebtedness	Warrants	Total
One Room School Districts				
2		\$500.00		\$500.00
3		800.00		800.00
5			\$171.51	171.51
6		500.00	150.00	650.00
9	\$3,500		22.03	3,522.03
10		200.00	12.60	212.60
11	2,000	2,679.25	149.08	4,828.33
21	1,500		10.50	1,510.50
22				
24	800		10.15	810.15
26	2,000			2,000.00
27			20.20	20.20
28	1,200	1,200.00		1,200.00
31	1,500		1,450.95	2,982.80
36	1,500		144.75	2,000.00
38		2,000.00		2,000.00
39			364.00	364.00
40	2,500			3,500.00
44				
46		180.30	180.30	180.30
47	6,100	700.00	588.68	7,388.68
48	5,200		453.89	5,653.89
52	900			900.00
53	7,050.	620.00	1,071.41	8,741.41
54				
57	5,700		68.93	5,768.93
58	400	230.40		630.40
59	1,000			1,000.00
60	4,800			4,800.00
63				
65			675.14	675.14
66	2,300	1,349.92	1,024.12	4,674.00
68				
69	2,000			2,000.00
70				
71		676.00	242.22	918.22
74	6,000	3,374.16	384.60	9,758.76
75	8,000		1,370.40	9,370.40
77	6,500	1,000.00		7,500.00
78			760.60	760.60
80	2,200	250.00	1,086.20	3,536.20

Table 45 (Continued)

District	Bonds	Certificate of Indebtedness	Warrants	Total
81	\$ 1,000			\$ 1,000.00
82				
83				
84	1,200	\$ 1,000.00		\$ 2,200.00
85	1,700		\$ 108.90	1,808.90
86	1,500	700.00		2,200.00
87			5.40	5.40
89	<u>1,500</u>	<u> </u>	<u> </u>	<u>1,500.00</u>
Total	427,750	42,758.73	32,181.50	502,690.23

The total indebtedness for all school districts in McLean county at the close of the fiscal period June 30, 1934, was \$502,690.23 dollars or four and thirty-nine hundredths per cent of the total taxable valuation of the districts. The total per pupil indebtedness in 1934 was \$111.77 which is a good deal higher than the average per pupil indebtedness for North Dakota which is \$88.57. Twenty-three school districts have no bonded indebtedness. Eight districts have no indebtedness of any kind.

The total bonded indebtedness as one would expect is the largest item of the total indebtedness for the school districts in McLean county. The High School Districts, and the Consolidated Graded Districts have the largest total indebtedness. This of course is to be expected because of the fact that larger buildings, and more equipment is necessary in these districts.

The per pupil total indebtedness of any school district can be found by dividing the total indebtedness by the number of pupils attending school in the district. Figure L and figure M show the total indebtedness per pupil and the bonded indebtedness per pupil for each of the school districts in McLean County. One will notice,

Figure L

Total Indebtedness Per Pupil, Bonded Indebtedness
Per Pupil in Other than One Room School Districts
in McLean County 1934

Dollars

300

280

260

240

220

200

180

160

140

120

100

80

60

40

20

1 4 7 8 50 51 56 62 72
High School Districts

64 67 73 76 79
Consolidated Graded
Districts

Key--Blue--bonded indebtedness per pupil

Red--total indebtedness per pupil

as was previously pointed out, that there are a few districts that do not have an indebtedness. On the other hand District Number fifty, a High School District, has a total indebtedness per pupil of \$274.00. The next highest district in the rank of total indebtedness is district number eight with \$269.00 per pupil. Comparisons for other districts can be made in a similar manner. The figures show that inequalities in the total indebtedness exist among the districts. The red lines in figures L and M represent the total indebtedness, the blue lines the bonded indebtedness of the districts. The difference between the two lines represent the indebtedness of the district in other than bonded indebtedness. This, other than bonded indebtedness, represents indebtedness for current expenditures. For example, district number eight has a total indebtedness of \$269.00 per pupil as shown by the red line. The bonded indebtedness of the same district is \$251.00 per pupil as shown by the blue line. The indebtedness for the current expenditure would be the difference between the two lines, or as in the case of this district, eighteen dollars. District number seventy-three has an indebtedness for current expenditures of \$158.90 per pupil, while its bonded indebtedness is only eighteen dollars per pupil. Only two other districts in the county have a similar situation. They are districts number sixty-four and eleven. Comparisons between the bonded indebtedness and the indebtedness for current expenditures can be made for other districts in the same manner.

Earlier in this chapter it was stated that when bonds are issued by a school district, a fund, known as the interest and sinking fund, must be created. A separate levy is made for this fund in order to pay

the interest and the principal on the bond. Table 47 shows the mill levies for this fund and the per cent of this levy to the total district levy, for those school districts that have a bonded indebtedness.

Table 46

Mill Levy for School Purposes, for Interest and Sinking Fund, and
Per Cent of Levy for McLean County School Districts

In 1934

District	Tax Rate for School Purposes	Tax Rate for Interest and Sinking Fund	Per Cent of Interest and Sinking Fund Levy to Total levy
1	18.00	11.12	38
4	18.00	12.00	40
7	20.64	4.6	1
8	27.00	24.2	40
50	27.00	19.60	42
51	26.08	6.05	18
56	18.00	3.81	27
62	18.00	6.41	26
72	27.00	14.27	34
64	20.00	1.47	6
67	18.00		
73	17.80	1.80	9
76	26.00	17.40	40
79	14.2		
2	10.29	10.272	49
3	15.00		
5	10.00		
6	11.00		
9	11.30	1.50	11
10	14.00		
11	18.00	3.70	17
21	14.00		
22	16.74		
24	16.20		
26	11.00	4.40	28
27	5.00		
28	15.00		
31	18.00	1.00	5
36	18.00		
38	15.00		
39	13.70		
40	21.00	8.20	28
44	16.30		
46	8.50		
47	17.50	4.32	19

Table 46: (Continued)

District	Tax Rate for School Purposes	Tax Rate for Interest and Sinking Fund	Per Cent of Interest and Sinking Fund Levy to Total Levy
48	15.30	4.80	23
52	21.00		
53	18.00	4.00	18
54	18.00		
57	18.10	2.40	11
58	18.00	1.00	5
59	7.00	2.20	23
60	18.00	4.60	20
63	15.10		
65	18.00		
66	18.30	3.40	15
68			
69	17.35		
70	11.00		
71	18.00		
74	18.00	5.80	24
75	18.00	8.40	35
77	17.30	8.00	31
78	23.20		
80	18.00	6.40	26
81	17.90		
82	14.00		
83	6.00		
84	16.00		
85	20.00	5.00	20
86	18.00	6.00	25
87	13.80	3.58	20
88	25.00	6.89	20

^aAverage Per Cent of sinking fund levy to total twenty-three%

^aCounty Superintendent's Annual Report, 1934.

A comparison of mill levies for the two funds reveals the fact that the mill levies are lower for the sinking fund than for the general fund. District number two levied almost the same for both funds. The average per cent of the sinking fund levy to the total levy is twenty-three per cent. In other words, twenty-three per cent of the

school taxes are used for the payment of interest and principal on bonds.

Columns two and three in table 47 show the bonded limits of a group of school districts at five and ten per cent respectively. These figures were obtained by multiplying the taxable valuations of the districts first by five per cent and then by ten per cent.

Table 47

Bonded Indebtedness, Five Per Cent Bonded Limit, Ten Per Cent

Bonded Limit for All School Districts in McLean County

Having a Bonded Indebtedness, June 30, 1934

District	Total Bonded Indebtedness ^a	Five Per Cent Limit	Ten Per Cent Limit
1 x	\$ 41,300	\$ 23,179	\$ 45,359
4 x .	65,0000	26,829	53,658
7	19,000	19,981	39,963
8 x .	68,390	18,448	36,897
50 x .	49,900	15,198	30,396
51 x	45,000	35,994	71,978
56	4,500	11,544	23,089
62	9,000	10,003	20,007
72 x	25,000	14,088	28,171
64	3,100	9,516	19,033
73	1,000	8,311	16,622
76 x	14,000	7,536	15,073
9	3,500	10,752	21,505
11	2,000	9,582	19,164
21	1,500	6,188	12,377
24	800	5,576	11,152
26	2,000	5,849	11,698
28	1,200	7,638	15,276
31	1,500	7,269	14,538
36	1,500	6,887	13,575
40	3,500	7,482	14,964
47	6,100	7,899	15,799
48	5,200	7,460	14,920
52	900	7,211	14,422
53	7,050	9,386	18,773
57	5,700	8,579	17,158

^aCounty Superintendent's Annual Report, 1934.

^xBonded indebtedness beyond the five per cent limit.

^{*}Bonded indebtedness beyond the ten per cent limit.

Table 47 (Continued)

District	Total Bonded Indebtedness	Five Per Cent Limit	Ten Per Cent Limit
58	\$ 400	\$7,379	\$ 15,959
59	1,000	7,509	15,019
60	4,800	7,412	14,824
66	2,300	2,773	5,566
69	2,000	11,189	22,359
74	6,000	7,210	14,429
75 x	8,000	7,655	15,313
77	6,500	8,480	16,960
80	2,200	5,195	10,390
81	1,000	6,507	13,015
84	1,200	3,457	6,915
85 x	1,700	1,558	3,116
86	1,500	1,501	3,002
88 x	1,500	1,425	2,850

A comparison of the total bonded indebtedness with the five per cent limit shows that in 1934 ten districts had bonds outstanding beyond the five per cent limit. A comparison with the ten per cent limit shows three districts having bonds outstanding beyond the ten per cent limit. Because these three districts have bonds outstanding beyond the ten per cent limit does not necessarily mean that the bonds were issued in excess of the limit, but rather the situation is due to the fact that property valuations have dropped. The three districts that are beyond their bonded limits will be unable to issue other bonds, until they have reduced their indebtedness. An examination of records in the county auditor's office shows that the three districts, numbers four, eight, and fifty have to their credit in the sinking fund \$7,574.15, \$1,106.06, and \$4,820.65 respectively. This money could be used to retire bonds but it would still leave them over the ten per cent. In contrast with this can be cited fifteen

districts that have never had a bond issue. They are districts number two, three, five, six, twenty-two, thirty-eight, forty-six, sixty-five, seventy, seventy-eight, eighty-two, eighty-three, seventy-nine, sixty-seven, and eighty-seven.¹³

There are inequalities existing in total indebtedness among the school districts in McLean County. The Indebtedness is chiefly in the form of bonded indebtedness. The High School Districts have the highest total indebtedness.

¹³ Bond Register, County Auditor's Office

Chapter 7

CONCLUSION

The preceding chapters have shown the conditions which exist in McLean County with respect to educational opportunities, as they exist in relation to, abilities to support, effort to support, source of school revenue, expenditures, and indebtedness. Equality of educational opportunities do not exist. Some pupils enjoy the advantage of attending school nine months of the year in fine buildings that are well equipped; while others are denied that equal opportunity, by being forced to attend school in poor buildings inadequately equipped, and administered. Between these two extremes all types of variations are found. Some school districts are able to furnish their children with an education at a reasonable tax rate, while others must tax themselves to the limit to furnish a very meager education.

The Constitution for North Dakota, as adopted in 1889, states definitely that public education is a state function. Article VIII. Section 147, states, "the legislative assembly shall make provisions for the establishment and maintenance for a system of public schools which shall be open to all children of the State of North Dakota." Section 148 of the same Article provides further that, "The legislative assembly shall provide at its first session after the adoption of this constitution for a uniform system for free public schools throughout the state--". It is plain from these constitutional mandates that education is a state function. The

state has never fully exercised this constitutional mandate, for, instead of providing schools for all children the legislature has provided for the organization of a system of school districts, and methods by which the districts might raise money to educate the children of the community.

It is also evident that the educational opportunities should be equal, for the constitution demands, "a uniform system for free public schools-". In delegating its educational powers to the districts the state destroyed the equality in educational opportunities. It is unfair to expect a district with a per pupil taxable valuation of 1,500 dollars to provide educational opportunities equal to those of a district having a taxable valuation per pupil of 10,000 dollars. The poorest district in attempting to give its children the same educational opportunities as the wealthy district, levies an extremely heavy burden upon its tax payers.

Districts with a high taxable valuation are not necessarily better able to support schools than the districts with a low taxable valuation, because the per pupil valuation may be much lower in the district with the higher taxable valuation. This was clearly evidenced in the study, for the High School Districts have a higher total taxable valuation than the One Room School Districts, but the One Room School Districts have a higher per pupil taxable valuation. The tax rates were much higher in the High School Districts for that reason.

When the tax rates are high, it is generally assumed, by the public that the schools are spending a great deal of money. This is not necessarily true, for a district may spend comparatively little per pupil, and yet have a very high tax rate. District Number 87 in the same year spent 4.092 dollars, or 215.36 dollars per pupil and levied only thirteen mills. So it follows that the taxpayers in the poorer districts pay a much higher tax than the taxpayers in the wealthy districts, and still the pupils in the former do not receive the same educational opportunities. The tax payers in the poorer districts may wish to provide educational opportunities some what in equality with that in the wealthy districts but they are denied this opportunity by laws which sets a limit on the amount that can be levied for school purposes.

Some districts have shown greater effort in providing educational facilities for its pupils than others. Three of the districts in McLean County were in 1934 beyond their ten per cent indebtedness limit, and ten districts were beyond the five per cent limitation. Inequalities are present in indebtedness, for it was shown that fifteen of the school districts had never had a bond issue.

The chief cause for inequalities set forth in this study is due primarily to the district plan of school support. Since the school districts in McLean County derive ninety per cent of their revenue from taxes levied on property within the district, such property must support the pupils of the district. It was found to be true that property and children are not distributed in the same ratio among

districts. Twenty-eight of the county's sixty-three school districts have property of railroad companies and public utilities located within their limits. The valuation of such property in district number four for the year 1934 was 308,734 dollars or about the same as the taxable valuation of all other property in the district.

Conclusion

The conclusions to be drawn from the data of this study is that the present system for school support in McLean County is inadequate and unfair because it produces, (1) wide differences in ability of districts to support schools, (2) it produces very uneven tax burdens on property, causing taxpayers in poorer districts to pay much higher taxes than tax payers in wealthy districts in their effort to provide adequate schools for their pupils, (3) it produces inequalities in educational facilities for the school children, (4) and it is hampered by laws that are inconsistent and out of harmony with the present plan of taxation.

RECOMMENDATIONS

The writer is not prepared to recommend a plan of school support that will remove the inequalities pointed out in this study, as the purpose of the study was to discover the financial conditions of the school districts as they actually exist. The writer points out though that evidence has been presented which calls for a change to a new plan of support, a plan that will bring about an equalization of the tax burden upon the taxpayers and at the same time equalize the educational opportunities for all children of the county.

What ever plan is proposed, the main underlying principle should be, that wealth wherever found should bear alike, as nearly as possible, the burden of supporting schools, and such revenue should be distributed to the schools or districts on the per pupil basis in such a way as to give each child an equal educational opportunity.

A county unit system, with a county tax for the support of the schools, might be suggested, but the same inequalities would seem to exist for the counties as for the school districts, for it was shown in chapter two that there were great inequalities among the counties of the state in the valuation of taxable property.

Since the state constitution defines education as a state function, the state as a unit should command the resources within its boundaries for school support, and distribute it to the districts on some per pupil basis. A beginning has been made in this direction, in the form of the State Equalization Fund, which uses as its source

the Two Per Cent Sales Tax.

While the educational situation may be improved by abolishing the school districts and establishing the county as the local unit, inequalities will continue as long as the local unit provides most of the school revenues. Equalization of educational opportunities can not be accomplished by the county or local unit. Such equalization must depend upon either state or national support. It is hoped by the writer that pending the outcome of national support, more emphasis be directed to increased state support.

BIBLIOGRAPHY

- Paul R. Mort, *State Support for Public Schools*, Bureau of Publications, Teachers College, Columbia University, New York City, New York, 1926
- John K. Norton, *The ability of the States to Support Education*, 1926.
- E. P. Cubberley, *Public School Administration*, Houghton Mifflin Company, Chicago, Ill., 1916.
- L. T. Crawford, *History of North Dakota*, Vol. I, American Historical Society, Incorporated, Chicago, Ill., 1931.
- Andrea's Historical Atlas of Dakota, R. R. Donnelley and Sons, Lake Side Press, Chicago, Ill., 1884.
- Rex E. Willard, *The Agricultural Regions of North Dakota*, Bulletin Number 183, Agriculture College, Fargo, North Dakota, 1924.
- H. H. Simpson, *Geological and Ground Water Resources of North Dakota*, U. S. Government Printing Office, Washington, D. C., 1929.
- Arthur G. Leonard, *North Dakota Geological Survey Bulletin*, Agriculture College, Fargo, North Dakota, 1925.
- J. F. Abel, *Consolidation of Schools and Transportation of Pupils*, Department of Interior, Bureau of Education, Bulletin Number 41, U. S. Government Printing Office, Washington, D. C., 1925.
- Walter S. Deffenbaught and Timon Covert, *School Administration Units with Special Reference to the County Unit*, Department of Interior, Bureau of Education, Pamphlet Number 54, United States Government Printing Office, Washington, D. C., 1933.
- Fifteenth Census of the United States*, Department of Commerce, Bureau of the Census, United States Government Printing Office, Washington, D. C., 1931.
- Department of Public Instruction, *Biennial Reports of the Superintendent of Public Instruction*, Bismarek, North Dakota, 1929-1930, 1931-1932, 1933-1934.
- Department of Public Instruction, *General School Laws, for the State of North Dakota*, 1935.
- Annual Reports of the County Superintendent of Schools, McLean County*, North Dakota, 1929, 1930, 1931, 1932, 1933, 1934.

Department of Agriculture and Labor, Biennial Report of the State Dairy
Commissioner to the Commissioner of Agriculture and Labor,
Bismarck, North Dakota, 1931-1932.

Board of Equalization, Proceedings of the State Board of Equalization,
Bismarck, North Dakota, 1933.

State Tax Commissioner, Twelfth Biennial Report of the State Tax
Commissioner, 1932-1933.

Coal Mine Inspector, Sixteenth Annual Report of the State Coal Mine
Inspector, Bismarck, North Dakota, 1934.